

# **ZERO BASED BUDGET REPORTS**

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**FISCAL YEAR 2016**



**OFFICE OF THE GOVERNOR**

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# 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 2015 and FY 2016 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 15 percent of all budgetary programs during the fall of 2014. The ZBB review process included a detailed analysis of the cost and sources of funding for program activities, an examination of two years of expenditure trend data, as well as a review of the program's performance through measures capturing the effectiveness, efficiency, and workload of program activities. This analysis was used to develop recommendations for the AFY 2015 and FY 2016 Governor's Budget Report.

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

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

1. **Results of Analysis:** This section summarizes OPB's analysis and provides recommendations for future review or changes to the program budget and operations.
2. **Key Activities and Alternative Approach:** This section lists the program's key activities and provides its authority, number of positions, and state and total funds budgeted. In addition, this section lists alternative approaches to delivering program services within the current agency budget.
3. **Financials:** This section provides a summary of the program expenditures and budget. The section lists two years of expenditures, the current fiscal year budget, and the Governor's recommended changes for the FY 2016 budget. Recommended changes exclude statewide adjustments for retirement contributions, Risk Pools, and TeamWorks.
4. **Performance Measures:** This section lists agency purpose, the program purpose, and a set of measures for the program.



# **FY 2016 Zero-Based Budget Analysis**

## Department of Agriculture

### ZBB Program: Departmental Administration

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## ***Department of Agriculture***

# **ZBB Program: Departmental Administration**

### ***FY 2016 Zero-Based Budget Report***

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#### **Purpose of Review**

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The Department of Agriculture's Departmental Administration program provides support to all agency programs by providing human resource, information technology, financial, and fleet management services. The purpose of this review is to analyze the efficiency and effectiveness of activities in the Administration program.

#### **Results of Analysis**

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1. Statutory Alignment: Program activities are aligned with statutory responsibilities.
2. Staffing Levels: The program has 53 full-time benefit eligible employees.
3. Fleet Management: There are seven motor vehicles assigned to the program.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. The updated measures accurately reflect the performance of the program.
5. Budget Impact: Maintain the current funding level.

##### Program Operations:

6. The Departmental Administration program budget includes funding from state, federal, and other fund sources. State funds are reported in the appropriation bill; however, the agency typically amends federal and other funds to the budget in the third and fourth quarters of the fiscal year. To more accurately reflect budget and expenditures throughout the fiscal year, the department should amend the Annual Operating Budget (AOB) each quarter.

**Recommendation: Comply with the Office of Planning and Budget's AOB instructions and submit quarterly amendments to more accurately reflect federal and other funds.**

***Department of Agriculture***

**ZBB Program: Departmental Administration**

***FY 2016 Zero-Based Budget Report***

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7. The Departmental Administration program administers the call center for the Department of Agriculture's Consumer Protection program. Call center staff answer consumer questions about licensing and license renewals. In FY 2014, the call center received 110,914 calls. There are five full-time employees in the call center. Additionally, up to five hourly employees are hired during peak seasons, such as October when Georgia Agricultural Tax Exemption licenses are renewed. The current performance measures do not accurately reflect the service level provided. The call center software does not measure hold or wait times. Newly purchased software will allow the call center to track this information and will be implemented in September of 2014.

**Recommendation: Use new data from Call Center Xpress software to accurately reflect customer response time. Provide updated data and metrics to the Office of Planning and Budget to evaluate service levels and potential staffing needs.**

## Department of Agriculture

### ZBB Program: Departmental Administration

#### Key Activities and Alternative Approach

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Finance Division</b>	Manages accounts receivable, accounts payable, purchasing, budgeting, grant management, and travel reimbursement.	OCGA 2-1-1 et seq	15	\$948,643	\$948,643	\$0	\$948,643
<b>Personnel</b>	Administers employee benefits, performance evaluations, and compensation. Also manages transactions, employee relations, and internal policies and procedures.	OCGA 2-1-1 et seq	5	530,101	530,101	0	530,101
<b>Information Technology</b>	Updates software, monitors infrastructure performance, responds to client tickets, maintains website and server, and provides online technology training to employees.	OCGA 2-1-1 et seq	18	1,714,935	1,714,935	0	1,714,935
<b>Executive Management</b>	Responds to constituent inquiries, issues press releases, handles legal matters and administrative hearings.	OCGA 2-1-1 et seq	15	1,331,137	1,331,137	0	1,331,137
<i>Total</i>			53	\$4,524,816	\$4,524,816	\$0	\$4,524,816

#### Alternative (Alternative approach to delivering program services as provided by the agency)

No viable alternative approaches to program delivery are recommended at this time.



**Department of Agriculture**

**ZBB Program: Departmental Administration**

*Financial Summary*

<b>Objects of Expenditure</b>	<b>Expenditures</b>		<b>FY 2015</b>	<b>Zero Based Budget Review</b>	
	<b>FY 2013</b>	<b>FY 2014</b>	<b>Current Budget</b>	<b>Changes</b>	<b>Recommendation</b>
Personal Services	\$3,708,910	\$4,040,768	\$3,881,167	\$0	\$3,881,167
Regular Operating Expenses	347,243	243,581	100,040	0	100,040
Motor Vehicle Purchases					
Equipment	9,536	38,277			
Computer Charges	289,806	245,775	72,004	0	72,004
Real Estate Rentals	350,975	284,857	321,962	0	321,962
Telecommunications	210,790	176,643	141,758	0	141,758
Contractual Services	37,474	84,026	7,885	0	7,885
Grants and Benefits	749,319	846,935			
<b>Total Expenditures</b>	<b>\$5,704,053</b>	<b>\$5,960,861</b>	<b>\$4,524,816</b>	<b>\$0</b>	<b>\$4,524,816</b>
<b>Fund Type</b>					
State General Funds	\$4,320,200	\$4,390,407	\$4,524,816	\$0	\$4,524,816
Federal Funds	798,763	973,715			
Other Funds	585,090	596,739			
<b>Total Funds</b>	<b>\$5,704,053</b>	<b>\$5,960,861</b>	<b>\$4,524,816</b>	<b>\$0</b>	<b>\$4,524,816</b>
Positions*	52	55	53	0	53
Motor Vehicles	20	5	7	0	7

\* Position counts shown under expenditures reflect the number of salaried, benefit eligible employees as of June 30 of that fiscal year.

## ***Department of Agriculture***

### **ZBB Program: Departmental Administration**

#### ***Performance Measures***

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##### **Agency Purpose:**

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

##### **Program Purpose:**

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

##### **Performance Measures**

1. Percentage of calls answered in call centers
2. Percentage of IT tickets completed within 48 hours of being submitted
3. Agency turnover rate
4. Number of audit findings each year
5. Number of licenses issued per year

Actuals			
FY 2011	FY 2012	FY 2013	FY 2014
N/A	N/A	95%	91%
39%	57%	87%	91%
30%	29%	24%	23%
9	5	1	N/A
77,324	86,353	80,529	71,012



# **FY 2016 Zero-Based Budget Analysis**

Department of Banking and Finance

ZBB Program: Consumer Protection and Assistance

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## ***Department of Banking and Finance***

# **ZBB Program: Consumer Protection and Assistance**

### ***FY 2016 Zero-Based Budget Report***

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#### **Purpose of Review**

The Department of Banking and Finance (DBF) enforces and administers all state laws, rules, and regulations governing the operation of state-chartered financial institutions in Georgia. The current purpose of the Consumer Protection and Assistance (CPA) program is to provide legal advice and legislative drafting support for the Commissioner and staff. In FY 2009, funding was eliminated for the CPA call center, including four full-time positions. Prior to elimination of the call center, the program purpose was to assist consumers with problems encountered when dealing with department regulated entities. The purpose of this review is to determine the need for this program in the Department of Banking and Finance since the call center was eliminated from the CPA program.

#### **Results of Analysis**

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1. Statutory Alignment: The Department is authorized but not required to perform the activities in this program.
2. Staffing Levels: The program has one full-time benefit eligible employee.
3. Fleet Management: There are no motor vehicles assigned to the program.
4. Performance Measures: No performance measures exist for this program.
5. Budget Impact: Eliminate the Consumer Protection and Assistance program and transfer \$227,776 for one attorney position and operating expenses to the Departmental Administration program.

#### **Program Operations**

6. In FY 2009, funding was eliminated for the CPA call center, including four full-time positions. Currently, the Department refers consumer calls to the Consumer Financial Protection Bureau, which is a federal agency responsible for financial consumer protection. The Department is statutorily authorized to provide consumer assistance, but it is not required to do so.
7. One attorney position provides legal advice and support to the Commissioner, senior staff, and three other programs. The responsibilities of this position are administrative in nature and serve the Department as a whole. Primary responsibilities include drafting of legislation, providing counsel on all legal matters, and interpretation and implementation of laws and regulations that impact the Department and/or the institutions regulated by the Department.

**Recommendation: Eliminate the Consumer Protection and Assistance program and transfer \$227,776 for one attorney position and operating expenses to the Departmental Administration program.**

**Department of Banking and Finance**

**ZBB Program: Consumer Protection and Assistance**

*Key Activities and Alternative Approach*

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Legislation and Rule Making</b>	Drafts, advocates, educates, and comments on legislation and rule making.	OCGA 7-1-3(a)	0.34	\$77,444	\$77,444	(\$77,444)	\$0
<b>Advisory Services</b>	Provides advice to the Commissioner on all legal matters including litigation, in court and in administrative proceedings.	OCGA 7-1-35	0.33	75,166	75,166	(75,166)	0
<b>Research</b>	Researches relevant laws; drafts orders, memos, and agreements to include the interpretation and implementation of laws and regulations that impact the Department and/or the institutions regulated by the Department.	OCGA 7-1-3(a)	0.33	75,166	75,166	(75,166)	0
<i>Total</i>			1.00	\$227,776	\$227,776	(\$227,776)	\$0

**Alternative** (Alternative approach to delivering program services as provided by the agency)

No alternative approaches to program service delivery are recommended at this time.

**Department of Banking and Finance**

**ZBB Program: Consumer Protection and Assistance**

*Financial Summary*

	Expenditures		FY 2015	Zero Based Budget Review	
Objects of Expenditure	FY 2013	FY 2014	Current Budget	Changes	Recommendation
Personal Services	\$189,319	\$202,794	\$211,515	(\$211,515)	\$0
Regular Operating Expenses	7,062	4,213	3,000	(3,000)	0
Motor Vehicle Purchases					
Equipment	52				
Computer Charges	3,854	1,744	3,400	(3,400)	0
Real Estate Rentals	7,458	7,077	7,056	(7,056)	0
Telecommunications	2,400	2,374	2,727	(2,727)	0
Contractual Services	224	92	78	(78)	0
<b>Total Expenditures</b>	<b>\$210,369</b>	<b>\$218,294</b>	<b>\$227,776</b>	<b>(\$227,776)</b>	<b>\$0</b>
<b>Fund Type</b>					
State General Funds	\$210,369	\$218,294	\$227,776	(\$227,776)	\$0
<b>Total Funds</b>	<b>\$210,369</b>	<b>\$218,294</b>	<b>\$227,776</b>	<b>(\$227,776)</b>	<b>\$0</b>
Positions*	1	1	1	(1)	0
Motor Vehicles					

\* Position counts shown under expenditures reflect the number of salaried, benefit eligible employees as of June 30 of that fiscal year.

## ***Department of Banking and Finance***

### **ZBB Program: Consumer Protection and Assistance**

#### ***Performance Measures***

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##### **Agency Purpose:**

The Department of Banking and Finance (DBF) is the state agency that regulates and examines banks, including merchant acquirer limited purpose banks, credit unions, and trust companies chartered by the State of Georgia. DBF also has regulatory and/or licensing authority over mortgage brokers, lenders, processors and originators, money service businesses, international banking organizations, and bank holding companies conducting business in Georgia.

##### **Program Purpose:**

The purpose of this program is to provide legal advice and legislative drafting support for the Commissioner and staff.

#### **Performance Measures**

*\*There are no performance measures for this program.*



# **FY 2016 Zero-Based Budget Analysis**

## Department of Banking and Finance

### ZBB Program: Departmental Administration

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## ***Department of Banking and Finance***

# **ZBB Program: Departmental Administration**

### ***FY 2016 Zero-Based Budget Report***

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#### **Purpose of Review**

The Department of Banking and Finance (DBF) enforces and administers all state laws, rules, and regulations governing the operation of state-chartered financial institutions in Georgia. The purpose of this review is to analyze the efficiency and effectiveness of activities in the Departmental Administration program, which provides agency-wide support.

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#### **Results of Analysis**

1. Statutory Alignment: Program activities are aligned with statutory responsibilities.
2. Staffing Levels: The program has 12 full-time benefit eligible employees.
3. Fleet Management: There are no motor vehicles assigned to the program.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. The updated measures accurately reflect the performance of the program.
5. Budget Impact: Increase funds by \$227,776. See specific recommendations listed below.

##### Program Operations:

6. The Consumer Protection and Assistance (CPA) program is recommended for elimination in FY 2016. Currently, funding for this program includes one attorney position and operating expenses.

**Recommendation: Transfer one attorney position and \$227,776 from the Consumer Protection and Assistance program to the Departmental Administration program to incorporate legal functions within the Departmental Administration program.**

7. In FY 2009, the call center in the CPA program was eliminated. Currently, the Department refers consumer calls to the Consumer Financial Protection Bureau; however, the Department does not track the number of calls received.

**Recommendation: Monitor the number of calls received and referred to the Consumer Financial Protection Bureau to determine the need for a position to address consumer calls.**

**Department of Banking and Finance**

**ZBB Program: Departmental Administration**

*Key Activities and Alternative Approach*

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Executive Leadership</b>	Exercises supervision and control over all divisions and employees.	OCGA 7-1-31, 7-1-35	2.25	\$576,048	\$576,048	\$227,776	\$803,824
<b>Planning</b>	Ensures appropriate structure and staffing to effectively and efficiently accomplish the mission.	OCGA 7-1-3, 7-1-30	0.50	122,045	122,045	0	122,045
<b>Budgeting</b>	Develops and monitors budgets and provides reports.	OCGA 7-1-30	0.75	191,198	191,198	0	191,198
<b>Financial Management</b>	Oversees accounting services, financial reporting, collection of assessments, fees and fines, accounts payable, and procurement.	OCGA 7-1-30	2.25	313,709	313,709	0	313,709
<b>Information Technology Support Services</b>	Procures, installs, maintains, and secures hardware, software, and telecommunications resources as well as interfaces with third-party technology service providers.	OCGA 7-1-30	3.75	595,566	595,566	0	595,566
<b>Human Resources</b>	Recruits employees in addition to administering compensation and benefits programs.	OCGA 7-1-30, 7-1-35	0.75	90,800	90,800	0	90,800
<b>Administrative Support</b>	Provides agency-wide assistance and support.	OCGA 7-1-30	1.75	158,517	158,517	0	158,517
<i>Total</i>			12.00	\$2,047,883	\$2,047,883	\$227,776	\$2,275,659

**Alternative** (Alternative approach to delivering program services as provided by the agency)

No alternative approaches to service delivery are recommended at this time.

**Department of Banking and Finance**

**ZBB Program: Departmental Administration**

*Financial Summary*

	Expenditures		FY 2015	Zero Based Budget Review	
Objects of Expenditure	FY 2013	FY 2014	Current Budget	Changes	Recommendation
Personal Services	\$1,653,893	\$1,583,928	\$1,752,047	\$211,515	\$1,963,562
Regular Operating Expenses	57,602	77,985	76,484	3,000	79,484
Motor Vehicle Purchases					
Equipment	670		306	0	306
Computer Charges	99,404	140,951	95,873	3,400	99,273
Real Estate Rentals	96,567	85,625	84,637	7,056	91,693
Telecommunications	24,713	24,709	26,336	2,727	29,063
Contractual Services	5,030	19,977	12,200	78	12,278
<b>Total Expenditures</b>	<b>\$1,937,879</b>	<b>\$1,933,175</b>	<b>\$2,047,883</b>	<b>\$227,776</b>	<b>\$2,275,659</b>
<b>Fund Type</b>					
State General Funds	\$1,937,879	\$1,933,175	\$2,047,883	\$227,776	\$2,275,659
<b>Total Funds</b>	<b>\$1,937,879</b>	<b>\$1,933,175</b>	<b>\$2,047,883</b>	<b>\$227,776</b>	<b>\$2,275,659</b>
Positions*	11	13	12	1	13
Motor Vehicles					

\* Position counts shown under expenditures reflect the number of salaried, benefit eligible employees as of June 30 of that fiscal year.

## ***Department of Banking and Finance***

### **ZBB Program: Departmental Administration**

#### ***Performance Measures***

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##### **Agency Purpose:**

The Department of Banking and Finance (DBF) is the state agency that regulates and examines banks, including merchant acquirer limited purpose banks, credit unions, and trust companies chartered by the State of Georgia. DBF also has regulatory and/or licensing authority over mortgage brokers, lenders, processors and originators, money service businesses, international banking organizations, and bank holding companies conducting business in Georgia.

##### **Program Purpose:**

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

##### **Performance Measures**

1. Percentage of fees and fines submitted electronically
2. Agency turnover rate
3. Number of audit findings

Actuals			
FY 2011	FY 2012	FY 2013	FY 2014
85%	85%	87%	89%
18%	14%	17%	20%
0	0	0	N/A



# **FY 2016 Zero-Based Budget Analysis**

## Department of Behavioral Health and Developmental Disabilities

### ZBB Program: Adult Mental Health Services

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## ***Department of Behavioral Health and Developmental Disabilities***

### **ZBB Program: Adult Mental Health Services**

#### ***FY 2016 Zero-Based Budget Report***

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##### **Purpose of Review**

The purpose of this review is to analyze the efficiency and effectiveness of activities in the Adult Mental Health Services program. Since a settlement was reached with the U.S. Department of Justice, the program has implemented a variety of services to create accessibility to care in the community.

##### **Results of Analysis**

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1. Statutory Alignment: Program activities are aligned with statutory responsibilities.
2. Staffing Levels: There are 1,127 authorized positions and 700 full-time benefit eligible employees.
3. Fleet Management: There are 24 vehicles assigned to the program; however, the vehicle number is inaccurate. See specific recommendation below.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. The updated measures accurately reflect the performance of the program.
5. Budget Impact: Increase the program budget by \$7,315,000 in state funds to address crisis needs and administrative improvements. See specific recommendations below.

##### **Program Operations:**

6. The program's budgeted fleet did not accurately reflect the number of vehicles associated with this program until the fleet inventory was reviewed and reconciled. There are no vehicles assigned to this program based on the reconciliation. The 24 authorized vehicles were transferred to the Adult Developmental Disabilities Services program and the Direct Care and Support Services program.

**Recommendation: Perform an annual review of fleet inventory to ensure they are linked to the appropriate program for budget and expense purposes.**

7. Four positions are being expensed from the Adult Mental Health Services program that should be reallocated to programs more closely associated with each position's function.

**Recommendation: Reallocate three individuals to the Departmental Administration program and one individual to the Child and Adolescent Mental Health program for expense purposes and to align the job functions with the appropriate program activities. The Department indicated no budget transfer was needed for these positions.**

## ***Department of Behavioral Health and Developmental Disabilities***

### **ZBB Program: Adult Mental Health Services**

#### ***FY 2016 Zero-Based Budget Report***

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8. Several Regional staff positions are expensed in this program that are associated with administrative functions rather than programmatic functions.

**Recommendation: The Department is currently in the process of a reorganization, and regional positions will be reviewed. Since there may be organizational changes as a result of the agency reorganization, no budget or position transfers are recommended at this time. Determine potential impact on budgetary transfers as the reorganization moves forward.**

9. The authorized position count does not accurately reflect the number of positions associated with this program. Authorized positions in BudgetNet total 1,127, but filled, regular, benefit-eligible positions only total 700, leaving 427 vacancies. It is unlikely there are actually 427 budgeted vacancies in this program.

**Recommendation: Reconcile the budgeted position count to reflect the actual number of budgeted positions.**

10. The Department is currently involved in a Core Provider Redesign Initiative. This will change the financial mechanisms of its core services, which may include services like counseling, medication management, psychosocial rehabilitation, etc. Essentially, core services will be shifted from a "grant-in-aid" model to a "fee-for-service" model.

**Recommendation: This process is already in place for specialty behavioral health services, so the new model should improve core providers' abilities to obtain appropriate reimbursement based on actual services provided. This change will occur within the program's current budget conditions.**

11. Region 3, which includes Clayton, DeKalb, Fulton, Gwinnett, Newton, and Rockdale counties, has a large volume of clients and not enough capacity at behavioral health facilities to serve them. The focus on crisis services was placed heavily on Region 1 (North Georgia), Region 4 (Southwest Georgia), and Region 6 (Midwest Georgia) due to the hospital closures in those areas. This lack of additional beds has resulted in long wait times for critical services. Additionally, the utilization rate at the Viewpoint Crisis Stabilization Unit (CSU) was 98.2% in FY 2014, and the utilization rate at the DeKalb CSU was 76.5%. While DeKalb's utilization may not seem high, they are unable to staff the facility to function at full capacity, meaning the beds that are able to be staffed are frequently full.

**Recommendation: The Department is aware of the issue and has requested additional funding to increase capacity at its own facilities, as well as purchase private psychiatric beds as needed. Provide \$2,315,000 to address behavioral health crisis needs in Region 3. The funding will support the following items: \$300,000 to maintain services at the DeKalb CSU; \$800,000 to increase bed capacity by an additional seven beds at the Viewpoint CSU; and \$1,215,000 to purchase five additional private psychiatric beds as needed.**

***Department of Behavioral Health and Developmental Disabilities***

**ZBB Program: Adult Mental Health Services**

***FY 2016 Zero-Based Budget Report***

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12. The Department is working to employ an Administrative Services Organization (ASO) to improve administrative processes, which were previously handled by three separate vendors. The ASO will have better reporting capabilities, so the program can track quality data. This data will allow for better financial reporting, utilization management, and quality management.

**Recommendation: Utilize base funding for new administrative services contract.**



**Department of Behavioral Health and Developmental Disabilities**

**ZBB Program: Adult Mental Health Services**

*Key Activities and Alternative Approach*

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Crisis Services</b>	This activity includes a continuum of Mental Health Crisis Services utilizing Behavioral Health Crisis Centers, Crisis Stabilization Units, Crisis Respite Apartments, and Mobile Crisis Response Services collectively offering 24 hour community based walk-in access, assessments, temporary observation, stabilization, and linkage/referrals.	OCGA 37-1-2; ADA Settlement*	2	\$100,396,274	\$104,951,504	\$2,315,000	\$102,711,274
<b>Adult Core/Psychosocial Rehabilitation</b>	Core services are community based, comprehensive outpatient mental health clinic services.	OCGA 37-1-2	63	144,696,930	144,696,930	0	144,696,930
<b>Case Management/Intensive Case Management</b>	Case management addresses the needs of individuals diagnosed with mental illness who need assistance in order to successfully implement their Individual Recovery Plans and maintain recovery. Services include care coordination, service integration, and recovery supporting services.	OCGA 37-1-2; ADA Settlement*	14	8,956,156	8,956,156	0	8,956,156
<b>Assertive Community Treatment (ACT) /Community Support Team (CST)</b>	These are contracted services to provide 22 ACT Teams and 8 CST's, utilizing an intensive multi-disciplinary community based treatment model, focused on supporting the individual and reducing hospital readmission.	OCGA 37-1-2; ADA Settlement*	4	20,669,173	20,669,173	0	20,669,173
<b>Supported Employment</b>	22 supported employment teams provide support for vocational assessments, job searches, job coaching, and benefits counseling.	OCGA 37-1-2; ADA Settlement*	4	2,948,672	5,825,371	0	2,948,672
<b>Peer Support Services</b>	Certified Peer Specialists facilitate the services, which include providing therapeutic and supportive wellness and recovery services.	OCGA 37-1-2; ADA Settlement*	2	6,302,070	9,028,610	0	6,302,070
<b>Programs for Assistance in Transition from Homelessness (PATH) **</b>	PATH involves outreach services to individuals with mental illness and co-occurring substance abuse disorders who are homeless or at risk of becoming homeless.	OCGA 37-1-2		574,000	2,005,750	0	574,000

**Department of Behavioral Health and Developmental Disabilities**

**ZBB Program: Adult Mental Health Services**

*Key Activities and Alternative Approach*

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Treatment Courts/Jail Diversion</b>	Evaluation and treatment services for adults with a serious mental illness who have committed an offense and are willing to consent to treatment instead of serving jail time.	OCGA 37-1-2	1	0	153,734	0	0
<b>Suicide Prevention</b>	Suicide prevention and intervention services are provided through suicide prevention coalitions, local trainings to recognize the signs and symptoms of those experiencing suicidal thoughts, building local systems of care, and surveillance activities to analyze data and statistics.	OCGA 37-1-2	2	200,000	200,000	0	200,000
<b>Deaf Services</b>	Resource coordination for provision of deaf services for adults who are deaf, hard of hearing, or deaf and blind.	OCGA 37-1-2	3	211,399	211,399	0	211,399
<b>External Review Organization **</b>	The organization provides prior authorization for consumer services, care management reviews, encounters and claims data, provider audits and reports, an information technology system, and a public website knowledgebase.	OCGA 37-1-2		2,097,121	2,097,121	0	2,097,121
<b>Hospital Inpatient Services</b>	Four state-operated hospitals with inpatient mental health units provide care for consumers in crisis and those who require long-term behavioral health care.	OCGA 37-1-2	576	51,713,523	54,048,618	0	51,713,523
<b>Administration</b>	Administration includes key personnel and operations, ensuring fiscal, programmatic, clinical, and policy oversight of the program.	OCGA 37-1-2; ADA Settlement*	29	7,337,201	7,337,201	0	7,337,201
<b>Total</b>			700	\$346,102,519	\$360,181,567	\$2,315,000	\$348,417,519

**Alternative** (Alternative approach to delivering program services as provided by the agency)

Due to the settlement agreement with the U.S. Department of Justice, the program is limited in its ability to deliver services in alternate ways. One possible alternative would be a managed care arrangement to deliver services; however, the cost for such an alternative is uncertain.

**Department of Behavioral Health and Developmental Disabilities**

**ZBB Program: Adult Mental Health Services**

*Key Activities and Alternative Approach*

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
Activity	Description						

**Notes:**

\* The ADA Settlement refers to the agreement reached between the State of Georgia and the U.S. Department of Justice in 2010 alleging violations of the Americans with Disabilities Act (ADA) because Georgia failed to administer services in the most integrated settings appropriate to the needs of qualified individuals with disabilities. The ADA Agreement expands community services for Adult Mental Health and Developmental Disabilities and creates a department-wide Quality Management program (See [https://dbhdd.georgia.gov/sites/dbhdd.georgia.gov/files/related\\_files/site\\_page/DOJ%20ADA%20Overview.pdf](https://dbhdd.georgia.gov/sites/dbhdd.georgia.gov/files/related_files/site_page/DOJ%20ADA%20Overview.pdf)).

\*\*While there are no positions indicated next to PATH or External Review Organization, there are individuals who support these activities. The individuals spend the majority of their time on other activities and are reported in those activity position counts.

**Department of Behavioral Health and Developmental Disabilities**

**ZBB Program: Adult Mental Health Services**

*Financial Summary*

<b>Objects of Expenditure</b>	<b>Expenditures</b>		<b>FY 2015</b>	<b>Zero Based Budget Review</b>	
	<b>FY 2013</b>	<b>FY 2014</b>	<b>Current Budget</b>	<b>Changes</b>	<b>Recommendation</b>
Personal Services	\$56,149,454	\$48,503,626	\$47,025,564	\$0	\$47,025,564
Regular Operating Expenses	3,773,192	4,653,493	8,844,389	0	8,844,389
Computer Charges	23,095	20,164	18,700	0	18,700
Real Estate Rentals	247,521	181,399	186,000	0	186,000
Telecommunications	409,166	399,041	373,440	0	373,440
Contractual Services	244,095,263	274,134,793	302,915,974	2,315,000	305,230,974
Grants and Benefits	970,740	901,236	817,500	0	817,500
<b>Total Expenditures</b>	<b>\$305,668,431</b>	<b>\$328,793,752</b>	<b>\$360,181,567</b>	<b>\$2,315,000</b>	<b>\$362,496,567</b>
<b>Fund Type</b>					
State General Funds	\$280,863,237	\$305,452,317	\$346,102,519	\$2,315,000	\$348,417,519
Federal Funds	24,140,378	22,337,467	11,858,953	0	11,858,953
Other Funds	664,816	1,003,968	2,220,095	0	2,220,095
<b>Total Funds</b>	<b>\$305,668,431</b>	<b>\$328,793,752</b>	<b>\$360,181,567</b>	<b>\$2,315,000</b>	<b>\$362,496,567</b>
Positions*	898	700	700	(4)	696
Motor Vehicles	24	24	24	(24)	0

\* Position counts shown under expenditures reflect the number of salaried, benefit eligible employees as of June 30 of that fiscal year.

## ***Department of Behavioral Health and Developmental Disabilities***

### **ZBB Program: Adult Mental Health Services**

#### ***Performance Measures***

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##### **Agency Purpose:**

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

##### **Program Purpose:**

The purpose of this program is to provide evaluation, treatment, crisis stabilization, and residential services to facilitate rehabilitation and recovery for adults with mental illness.

##### **Performance Measures**

	Actuals			
	FY 2011	FY 2012	FY 2013	FY 2014
1. Number of adult mental health consumers served in state facilities*	6,331	5,601	5,143	3,390
2. Number of adult mental health consumers served in community behavioral health services	116,477	119,627	106,180	118,327
3. Number of persons receiving peer services	3,085	3,274	3,011	3,165
4. Percentage of adult mental health consumers served in state facilities*	5%	5%	5%	3%
5. Percentage of homeless individuals in adult community mental health services who obtain stable housing while enrolled in services	N/A	35%	33%	30%
6. Average response time for Mobile Crisis Response services (in minutes)	N/A	N/A	N/A	50
7. Percentage of people enrolled in supportive employment who are competitively employed	N/A	34%	17%	44%
8. Number of adult mental health consumers who received crisis services	6,453	7,784	8,462	8,820

***Department of Behavioral Health and Developmental Disabilities***

**ZBB Program: Adult Mental Health Services**

***Performance Measures***

**Performance Measures**

9. Percentage of Assertive Community Treatment (ACT) clients admitted to psychiatric hospitals

Actuals			
FY 2011	FY 2012	FY 2013	FY 2014
N/A	7.3%	7.8%	9.9%

**Notes:**

\* Since 2010, the Department has been transitioning individuals out of state facilities and into the community as part of the Department of Justice Settlement Agreement, which alleged violations of the Americans with Disabilities Act. Additionally, the Department has instituted a variety of services to treat individuals with mental illness in the community, attempting to prevent hospital admissions and provide a better continuum of care.



# **FY 2016 Zero-Based Budget Analysis**

## Department of Community Health

### ZBB Program: Indigent Care Trust Fund (ICTF)

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## ***Department of Community Health***

# **ZBB Program: Indigent Care Trust Fund (ICTF)**

### ***FY 2016 Zero-Based Budget Report***

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#### **Purpose of Review**

The Indigent Care Trust Fund (ICTF) was established in 1990 for the purpose of funding healthcare for medically indigent and rural Georgians. The primary activity of the ICTF is to act as a conduit for Disproportionate Share Hospital (DSH) funds, which is a federal program that increases access to healthcare for the medically indigent by distributing payments to hospitals based on the uncompensated cost of services provided to Medicaid patients and the uninsured. In addition to acting as a conduit mechanism for DSH funds, the program also acts as a conduit mechanism for Certificate of Need (CON) penalty fees, breast cancer automobile tag fees, and ambulance fees. These funds are all used to increase access to healthcare for medically indigent and rural Georgians. The purpose of this review is to evaluate the effectiveness and efficiency of the program at increasing access to healthcare for its target populations, and to examine the impact of future federal reductions in DSH funds as a part of the federal healthcare reform law, the Patient Protection and Affordable Care Act (PPACA).

#### **Results of Analysis**

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1. Statutory Alignment: Program activities are aligned with statutory responsibilities.
2. Staffing Levels: There are no positions funded in this program.
3. Fleet Management: There are no motor vehicles assigned to this program.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. The agency should continue to develop relevant and measureable outcomes for its key activities.
5. Budget Impact: Federal and other funds reflected in the Appropriations Act for the Disproportionate Share Hospital (DSH) activity and the Ambulance Licensing Fee activity do not reflect actual federal and other funds received. See recommendations below.

#### Program Operations:

6. The amount of federal DSH funds available to Georgia hospitals changes annually based on the federal allotment and annual reductions to that allotment as required by the federal health care reform law, the Patient Protection and Affordable Care Act (PPACA).

**Recommendation: Federal funds for the DSH program should be adjusted in the Governor's Budget Recommendation for AFY 2015 to reflect projected actual receipts for FY 2015.**



***Department of Community Health***

**ZBB Program: Indigent Care Trust Fund (ICTF)**

***FY 2016 Zero-Based Budget Report***

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7. The amount of other funds available for the Ambulance Licensing Fee activity varies annually based on collections, but the amount available over the past several years has been nearly \$1 million more than the amount budgeted in the Appropriations Act.

**Recommendation: Increase funds in the Ambulance Licensing Fee activity to reflect actual funds available (Total Funds: \$1,000,000).**

8. Georgia hospitals reported approximately \$1.4 billion in uncompensated care to poor and uninsured Georgians in 2014. The DSH program currently pays for approximately 21% of that uncompensated care, but the federal government is scheduled to begin reducing funds for the program in October 2015 as part of the federal healthcare reform law, PPACA. These reductions will be phased-in beginning in October 2015, with program funds scheduled to be reduced by approximately 50% by 2023.

**Recommendation: Convene a task force of state legislators, Georgia hospital representatives, and the Commissioner of the Department of Community Health to develop a plan to continue supporting uncompensated hospital care for poor and uninsured Georgians once the federal DSH funds have been reduced. Complete this plan and submit it to the General Assembly and Governor by August 1, 2015.**

9. For the DSH program, the federal government categorizes hospitals as deemed, eligible, or not eligible. To receive DSH funds, a hospital must be either deemed or eligible. Furthermore, federal law requires that deemed hospitals be included in the state's DSH payment distribution plan. A deemed hospital is one that, according to a federal definition, provides a disproportionate share of all the uncompensated care delivered by hospitals in the state. Specifically, deemed and eligible hospitals must have at least two obstetricians on staff who provide services to Medicaid patients and have a Medicaid Inpatient Utilization Rate (MIUR) of at least 1%. In addition to those two requirements, a deemed hospital must also either have a MIUR of at least one standard deviation above the average of all hospitals receiving Medicaid payments or have a Low Income Utilization Rate that exceeds 25%. In FY 2014, 23% of Georgia hospitals were classified as deemed. In FY 2014, these hospitals provided 36% of all uncompensated care delivered by hospitals in Georgia, and they received 51% of DSH funds distributed to Georgia hospitals.

## Department of Community Health

# ZBB Program: Indigent Care Trust Fund (ICTF)

## Key Activities and Alternative Approach

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Disproportionate Share Hospital Program</b>	Increase health care access for the medically indigent by distributing payments to hospitals based on uncompensated cost of services provided to Medicaid patients and the uninsured.	Constitution of the State of Georgia, Article III, Section IX, Paragraph VI(i); OCGA 31-8-152, 31-8-153, 31-8-154		\$0	\$396,462,493	\$0	\$0
<b>Certificate of Need Penalty Fees Collection</b>	Penalty fees are collected from healthcare facilities that do not provide at least the specified amount of clinical health services to indigent patients required by the facilities' certificates of need. These funds can be used to provide funding for care provided to the medically indigent.	OCGA 31-6-40; 31-8-153		0	0	0	0
<b>Breast Cancer Automobile Tag Fees</b>	Program that makes special breast cancer automobile tags available to Georgia motorists for a fee. Revenues are used to fund the Georgia Access to Care, Treatment, and Services Breast Cancer Grant Program administered by the Georgia Center for Oncology Research and Education (CORE).	OCGA 40-2-86		0	0	0	0
<b>Ambulance Licensing Fees</b>	Fees assessed to all ambulance services in the state by the Board of Public Health. Revenues from the fee are deposited into the ICTF and used to fund Medicaid benefit payments for ambulance services.	OCGA 31-11-31		0	2,200,000	0	0
<i>Total</i>				\$0	\$398,662,493	\$0	\$0

### Alternative (Alternative approach to delivering program services as provided by the agency)

No alternative approaches to program services delivery are recommended at this time.

**Department of Community Health**

**ZBB Program: Indigent Care Trust Fund (ICTF)**

*Financial Summary*

Objects of Expenditure	Expenditures		FY 2015	Zero Based Budget Review	
	FY 2013	FY 2014	Current Budget	Changes	Recommendation
Personal Services					
Regular Operating Expenses					
Motor Vehicle Purchases					
Equipment					
Computer Charges					
Real Estate Rentals					
Telecommunications					
Contractual Services					
Grants and Benefits	\$439,639,315	\$445,237,096	\$398,662,493	\$1,000,000	\$399,662,493
<b>Total Expenditures</b>	\$439,639,315	\$445,237,096	\$398,662,493	\$1,000,000	\$399,662,493
<b>Fund Type</b>					
State General Funds	\$16,622,029	\$14,445,532			
Federal Funds	288,234,506	293,047,063	\$257,075,969	\$0	\$257,075,969
Other Funds	134,782,779	137,744,501	141,586,524	1,000,000	142,586,524
<b>Total Funds</b>	\$439,639,315	\$445,237,096	\$398,662,493	\$1,000,000	\$399,662,493
Positions*	0	0	0	0	0
Motor Vehicles	0	0	0	0	0

\* Position counts shown under expenditures reflect the number of salaried, benefit eligible employees as of June 30 of that fiscal year.

## Department of Community Health

### ZBB Program: Indigent Care Trust Fund (ICTF)

#### Performance Measures

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##### Agency Purpose:

Through effective planning, purchasing, and oversight, DCH provides access to affordable, quality health care to millions of Georgians, including some of the state's most vulnerable and underserved populations.

##### Program Purpose:

The purpose of the program is to support rural and other healthcare providers, primarily that serve medically indigent Georgians.

##### Performance Measures

	Actuals			
	FY 2011	FY 2012	FY 2013	FY 2014
1. Percent of Georgia hospitals receiving Disproportionate Share Hospital (DSH) payments	98%	99%	99%	99%
2. Percent of Georgia hospitals achieving "deemed" status for DSH payments	15%	23%	26%	23%
3. Percent of uncompensated care reimbursed through DSH payments	21%	22%	22%	21%
4. Percent of uncompensated care delivered by deemed hospitals	28%	29%	34%	36%
5. Average percent of uncompensated care costs covered by DSH dollars for	43%	48%	47%	41%
6. DSH dollars spent supporting healthcare for medically indigent Georgians	\$312,915,978	\$306,066,843	\$304,856,535	\$307,492,595
7. Amount of uncompensated care Georgia hospitals self-report providing to indigent individuals	\$1,461,702,811	\$1,413,156,021	\$1,368,139,217	\$1,498,887,147



# **FY 2016 Zero-Based Budget Analysis**

## Department of Community Health

### ZBB Program: State Health Benefit Plan (SHBP)

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## ***Department of Community Health***

# **ZBB Program: State Health Benefit Plan (SHBP)**

## ***FY 2016 Zero-Based Budget Report***

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### **Purpose of Review**

The State Health Benefit Plan (SHBP) provides health insurance benefits to active and retired state employees, teachers, non-certificated school service personnel (non-certs), contracted groups, members of the General Assembly, and their dependents. The SHBP's goal is to offer members a competitive health benefit in terms of quality and access to providers, while also providing members with an affordable health benefit option. However, over the past six years, employee premiums and cost-sharing have increased substantially which has led to concerns regarding the plan's affordability and whether it is providing a benefit that is competitive with other government employee health benefit plans and health benefit plans available on the individual market. The purpose of this review is evaluate the SHBP's costs and its efficiency in providing health benefits to members.

### **Results of Analysis**

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1. Statutory Alignment: Program activities are aligned with statutory responsibilities.
2. Staffing Levels: There are no positions funded in this program. All program activities are performed by 50 full-time benefit eligible employees funded through the Departmental Administration and Program Support program of DCH.
3. Fleet Management: There are no motor vehicles assigned to the program.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. The performance measures reflected in this zero-based budget analysis have been revised from the SHBP's previously reported measures. The revised measures focus on encouraging sound fiscal management of the plan in an effort to enhance the plan's affordability and long-term sustainability. However, data for certain measures were not available. The agency should track and record data to ensure accurate reporting of performance data in the future.
5. Budget Impact: Maintain the current funding level. Certain administrative activities performed by DCH staff are not represented in the SHBP program budget, but are instead represented in the Departmental Administration and Program Support program budget of DCH.  
Program Operations:
6. Increases in SHBP's medical expense trends have been lower over the past five years than the national average. While SHBP has experienced an approximately 8% increase in medical expenses since FY 2009, the national average has been an approximately 16% increase since FY 2009.

## ***Department of Community Health***

### **ZBB Program: State Health Benefit Plan (SHBP)**

#### ***FY 2016 Zero-Based Budget Report***

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7. While medical expense trends have been below the national average, SHBP costs are higher than other comparable health plans. For example, the health plan offered to Board of Regents (BOR) employees offers richer plans at lower total costs. In another example, a 2014 study by The Pew Charitable Trusts found that when adjusted for plan richness and member household size, SHBP total costs are nearly 25% higher than other southern states' employee health plans' costs and nearly 16% higher than all other states' employee health plans' costs. Additionally, the cost of SHBP plans was substantially higher than that of similar plans offered on the Federally Facilitated Marketplace (FFM) throughout the state in 2014.

**Recommendation: Examine why SHBP's costs are higher than other comparable government employee health plans and develop options for reducing the SHBP's costs without further diminishing the value of health benefits received by members. Submit a study detailing the cause of SHBP's costs and options for reducing costs to the Governor and General Assembly by June 30, 2015.**

8. Administrative expenses for the SHBP have increased substantially over the past five years. Between FY 2009 and FY 2013, administrative expenses for the SHBP were, on average, 4.8% of total expenses, or approximately \$139 million annually. In FY 2014, administrative expenses were 6.6% of total expenses, or approximately \$186 million. The SHBP's administrative expenses have two major components, one is vendor services and the second is health plan administration and oversight. The vendor services component includes all major health plan contracts, such as third party claims administration, network administration, medical management services, pharmacy benefit administration, and wellness services. This vendor services component jumped from an average annual cost of \$129 million between FY 2009 and FY 2013 to an annual cost of \$166 million in FY 2014. This increase was largely attributable to the one-time expense of termination fees associated with the end of the United Healthcare and Cigna contracts, which cost approximately \$42 million. The second component of the SHBP's administrative expense is the plan administration and oversight activity, which is performed by 50 full-time benefit eligible employees at DCH. This activity includes plan design, medical policy development, financial management, legal services, claims auditing, member services, and employer services. This component went from average annual expenses of \$9 million between FY 2009 and FY 2013 to annual expenses of almost \$18 million in FY 2014. This large increase was primarily caused by one-time costs associated with the replacement of the legacy MEMS eligibility, enrollment, and billing system.

**Recommendation: Many of the administrative expenses that caused the increase should have been one-time expenses. Monitor administrative expenses and identify options for stabilizing administrative expense at the historical average of 5% or less of total expense.**

## ***Department of Community Health***

### **ZBB Program: State Health Benefit Plan (SHBP)**

#### ***FY 2016 Zero-Based Budget Report***

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9. In FY 2014, SHBP expenses for pre-Medicare retirees were almost 30% more than those of active employees who were enrolled in the same plans. Pre-Medicare retirees (sometimes referred to as early retirees) are state employees, teachers, or non-certs who retire from public service and collect an annuity from the Employee Retirement System (ERS) or the Teacher Retirement System (TRS), which makes these individuals eligible for SHBP coverage in retirement; however, these retirees are younger than age 65, which makes them ineligible for Medicare. These retirees enroll in the same plans as active employees until they reach age 65 and become Medicare-eligible. Once these retirees become eligible for Medicare, SHBP requires that they enroll in Medicare and SHBP offers them subsidized supplemental Medicare coverage through a Medicare Advantage plan. When pre-Medicare retirees costs are separated out from active employee costs who are enrolled in the same plans, the expenses for pre-Medicare retirees are 30% higher, largely because the pre-Medicare retiree population is, on average, older than the active employee population.

**Recommendation: Examine and report on alternative options for providing health care benefits to pre-Medicare retirees. These potential alternatives may include different plan designs for these retirees, moving these retirees to a private exchange with defined contribution, or differential premiums for these retirees. Submit a study detailing alternative options for providing health care benefits to pre-Medicare retirees to the Governor and General Assembly by June 30, 2015.**

10. Medicare-eligible retirees have limited choices for supplemental Medicare-coverage in the SHBP because the plan offers only two Medicare Advantage plan choices with the vendor(s) offering commercial SHBP plans. The Board of Regents Health Plan (BORHP) is planning to transition its Medicare-eligible retirees to a private health benefit exchange in Calendar Year 2016. Under this plan, BORHP will offer its Medicare-eligible retirees a defined contribution which can be used to purchase a supplemental Medicare coverage plan of the member's choice on a private health benefit exchange.

**Recommendation: Contract with a benefit-consulting firm that offers a private supplemental Medicare coverage exchange, and allow Medicare-eligible retirees to purchase coverage through an exchange for Calendar Year 2016. Provide these retirees with a defined contribution to purchase this coverage, and allow them to buy-up or buy-down depending on each individual members' needs. Coordinate with BORHP to provide similar options for both BORHP and SHBP Medicare-eligible retirees.**



## ***Department of Community Health***

### **ZBB Program: State Health Benefit Plan (SHBP)**

#### ***FY 2016 Zero-Based Budget Report***

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11. Employer contributions for non-certificated school service personnel (non-certs) do not cover 75% of the cost of their expenses. Until FY 2012, the employer contribution for non-cert employees was paid through two pieces: 1. a per member per month (PMPM) payment to SHBP on behalf of the Local Education Agencies (LEAs), and 2. a state appropriation that the Department of Education paid directly to the SHBP that was intended to cover part of the cost of the employer contribution for non-certs employees. As a result of the state providing payment for a portion of these employees' health benefits, the PMPM contribution rate paid by LEAs was set artificially low. The state appropriation was reduced in FY 2009 through FY 2011 and finally eliminated completely in FY 2012. When the state eliminated its appropriation for this purpose, the SHBP began to gradually increase the employer contribution rates that LEAs pay for their insured non-certs. However, the increases have been steep because the employer contribution rates paid by LEAs were set very low; for example, in July 2010, the employer contribution rate paid by an LEA to insure a non-cert was \$162.72. By July 2013, employer contribution rates for non-certs had risen to \$596.20 per member per month. However, to achieve a situation where the LEA employer contribution covers 75% of non-certs' expense, this employer contribution rate would need to increase by at least \$354 PMPM to \$950 PMPM. The Governor's Budget Recommendation for FY 2015 and the FY 2015 Appropriations Act froze the non-cert employer contribution rate at \$596.20 for FY 2015, and the Governor's Office and OPB established a workgroup of stakeholders from LEAs, DCH, OPB, and the Governor's Office to develop options for reducing costs to provide more affordable care to non-certs.

**Recommendation: The LEA workgroup should issue recommendations regarding non-cert coverage by January 1, 2015. This recommendation should contain options for reducing costs to provide more affordable care to non-certs to enable the elimination of the subsidy from state agency employer contribution rates.**

12. SHBP has been implementing a wellness initiative since 2012, but has not yet reported on whether the program is having the intended effects of improving the health status of SHBP members and reducing costs.

**Recommendation: Develop effectiveness measures for the wellness initiative to determine whether the program is having its intended effects, and submit them to OPB by June 30, 2015 for inclusion in the SHBP's performance measures.**

## ***Department of Community Health***

### **ZBB Program: State Health Benefit Plan (SHBP)**

#### ***FY 2016 Zero-Based Budget Report***

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13. Employer contribution methodologies used by SHBP mask what employers are paying for, and this has led to confusion among employers and employees about how much SHBP costs. Each group pays for employer contributions in a different way. State agencies pay a percent of their total payroll as their employer contribution; in FY 2015, the percent of payroll rate for state agencies is 30.454%. LEAs pay per member per month amounts for teachers and non-certs; in FY 2015, the per member per month amounts are \$945.00 per enrolled teacher and \$596.20 per enrolled non-cert. Employers frequently indicate that they believe they could achieve less expensive employer contributions by moving their agency off of SHBP for health insurance coverage and shopping commercially available plans. These employers may not realize that the employer contribution for SHBP pays for active employee coverage and retired employee coverage. For those employers that have shopped commercially available plans for non-certs, all have found that when the cost of covering retirees is included in their quotes, SHBP offers the most cost effective option.

**Recommendation: Reflect employer contribution rates in bills to employers and Board of Community Health resolutions as two separate rates - one rate to pay for active employee coverage and another rate to pay for retired employee coverage.**

14. LEAs are separate entities from state government, and leadership of many LEAs have expressed the desire to comparison shop health benefit plans to determine if SHBP is the most cost-effective means of providing health coverage benefits to their employees. Currently, statute allows LEAs to opt out of SHBP for their non-cert employees, but it does not allow them to opt out of SHBP for their teachers.

**Recommendation: Review legislative changes that would be necessary to provide flexibility to LEAs in the provision of health benefits for all of their employees, and recommend any necessary changes to provide this flexibility to the General Assembly during the 2015 legislative session.**

15. The plan's Other Post-Employment Benefits (OPEB) liability, the actuarially calculated liability for retiree benefits, is currently not funded.

**Recommendation: Utilize any reserve funds remaining after allowing for the plan's Incurred But Not Reported (IBNR) liability plus 10% of plan expense to fund the accrued liability portion of the Annual Required Contribution (ARC).**

## Department of Community Health

# ZBB Program: State Health Benefit Plan (SHBP)

## Key Activities and Alternative Approach

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Active Employee Claims Payments</b>	Payment of medical and pharmacy benefit claims for active state employees, teachers, non-certificated school personnel, contracted groups, members of the General Assembly, and their dependents who are members of the SHBP.	OCGA 20-2-881, 20-2-911, 45-18-2		\$0	\$2,267,774,120	\$0	\$0
<b>Pre-Medicare Retiree Claims Payments</b>	Payment of medical and pharmacy benefit claims for pre-Medicare retired state employees, teachers, non-certificated school personnel, members of the General Assembly, and their dependents who are members of the SHBP.	OCGA 20-2-885, 20-2-915, 45-18-2		0	506,382,390	0	0
<b>Medicare Retiree Medical Benefits Payments</b>	Payment of capitation rates for supplemental Medicare coverage for retired state employees, teachers, non-certificated school personnel, members of the General Assembly, and their dependents who are members of the SHBP and eligible for Medicare.	OCGA 20-2-885, 20-2-915, 45-18-2		0	227,505,132	0	0
<b>Vendor Services</b>	Provide contracted services to the SHBP - third party claims administration, network administration, medical management services, wellness services, and pharmacy benefit management.	OCGA 45-18-6		0	150,000,000	0	0
<b>Health Plan Administration and Vendor Oversight</b>	Determine plan design for all active and retiree members, conduct periodic procurements for vendors to administer plan, govern plan eligibility and enrollment, collect employer contributions and employee premiums, and oversee and hold vendors accountable for performance. (Note: This activity is funded through SHBP revenues, but the expense is reflected in the Departmental Administration budget of DCH.)	OCGA 45-18-2, 45-18-15		0	0	0	0
				\$0	\$3,151,661,642	\$0	\$0

### Alternative (Alternative approach to delivering program services as provided by the agency)

No alternative approaches to program services delivery are recommended at this time.

**Department of Community Health**

**ZBB Program: State Health Benefit Plan (SHBP)**

*Financial Summary*

Objects of Expenditure	Expenditures		FY 2015	Zero Based Budget Review	
	FY 2013	FY 2014	Current Budget	Changes	Recommendation
Personal Services					
Regular Operating Expenses					
Motor Vehicle Purchases					
Equipment					
Computer Charges					
Real Estate Rentals					
Telecommunications					
Contractual Services	\$131,445,112	\$166,148,079	\$150,000,000	\$0	\$150,000,000
Health Insurance Payments	2,702,729,942	2,593,361,967	3,001,661,641	0	3,001,661,641
<b>Total Expenditures</b>	<b>\$2,834,175,054</b>	<b>\$2,759,510,046</b>	<b>\$3,151,661,641</b>	<b>\$0</b>	<b>\$3,151,661,641</b>
<b>Fund Type</b>					
State General Funds					
Federal Funds					
Other Funds	\$2,834,175,054	\$2,759,510,046	\$3,151,661,641	\$0	\$3,151,661,641
<b>Total Funds</b>	<b>\$2,834,175,054</b>	<b>\$2,759,510,046</b>	<b>\$3,151,661,641</b>	<b>\$0</b>	<b>\$3,151,661,641</b>
Positions*	0	0	0	0	0
Motor Vehicles	0	0	0	0	0

\* Position counts shown under expenditures reflect the number of salaried, benefit eligible employees as of June 30 of that fiscal year.

## Department of Community Health

### ZBB Program: State Health Benefit Plan (SHBP)

#### Performance Measures

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##### Agency Purpose:

Through effective planning, purchasing, and oversight, DCH provides access to affordable, quality health care to millions of Georgians, including some of the state's most vulnerable and underserved populations.

##### Program Purpose:

The purpose of this appropriation is to provide a healthcare benefit for teachers and state employees that is competitive with other commercial benefit plans in quality of care and access to providers; and to provide for the efficient management of provider fees and utilization rates.

##### Performance Measures

	Actuals			
	FY 2011	FY 2012	FY 2013	FY 2014
1. Average expense per member per month	\$347.31	\$368.80	\$370.45	\$371.19
2. Number of active subscribers supporting each retiree subscriber (active to retiree ratio)	2.59	2.40	2.20	2.00
3. Percent of SHBP members accessing any preventive care services	36.32%	44.93%	40.21%	36.32%
4. Preventive care expenses per member per month	\$11.49	\$13.55	\$13.61	\$12.68
5. Percent of SHBP members with a common chronic condition (asthma, diabetes, coronary artery disease (CAD))	10.62%	10.66%	10.42%	9.05%
6. Percent of SHBP members with a common chronic condition (asthma, diabetes, coronary artery disease (CAD)) who are engaged in the disease state management co-pay waiver program	N/A	N/A	N/A	TBD
7. Average per member per month expense for SHBP members with common chronic conditions (asthma, diabetes, coronary artery disease (CAD))	\$418.84	\$440.58	\$413.77	\$365.26
8. Percent of SHBP members with high dollar claim accumulation (paid over \$100,000 in claims in one year)	0.36%	0.39%	0.43%	0.29%
9. Percent of SHBP members with a high dollar claim accumulation (paid over \$100,000 in claims in one year) who are engaged in case management	N/A	N/A	N/A	TBD



# **FY 2016 Zero-Based Budget Analysis**

Department of Community Health

ZBB Program: Georgia Board for Physician

Workforce: Physicians for Rural Areas

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## ***Department of Community Health***

# **ZBB Program: Georgia Board for Physician Workforce: Physicians for Rural Areas**

## ***FY 2016 Zero-Based Budget Report***

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### **Purpose of Review**

The Georgia Board for Physician Workforce: Physicians for Rural Areas program is responsible for awarding and monitoring medical education loan repayments to physicians who agree to practice in qualifying rural Georgia counties and medical scholarships to Georgia medical students who agree to practice a primary care core specialty in qualifying rural Georgia counties. The purpose of this review is to analyze the efficiency and effectiveness of activities in the Physicians for Rural Areas program, focusing on the return on investment of the scholarships awarded versus the loan repayments awarded.

### **Results of Analysis**

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1. Statutory Alignment: Program activities are aligned with statutory responsibilities.
2. Staffing Levels: There are no positions funded in this program.
3. Fleet Management: There are no motor vehicles assigned to the program.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. The updated measures accurately reflect the performance of the program.
5. Budget Impact: Transfer \$160,000 in state general funds from the scholarship activity to the loan repayment activity.

#### Program Operations:

6. Scholarships are awarded to students in medical school with the expectation that they will enter a primary care residency program and practice in rural Georgia for as many years as they received the medical school scholarship. Between the time a scholarship award is given to a student and the time they finish their residency, many things can happen to change the trajectory of their medical specialty or the geographic area in which they wish to practice, causing them to default on the scholarship and have to pay back three times the scholarship amount. By contrast, those receiving the Physicians for Rural Areas Assistance (PRAA) loan repayment are physicians currently practicing a primary care core specialty, identified by the Georgia Board for Physician Workforce, in a rural community in Georgia.

**Recommendation: Sunset the scholarship program over the next three fiscal years, and redirect funds to the loan repayment program.**

7. The Physicians for Rural Areas program has received a 50/50 federal match on \$100,000 in state funds to be used for the Physicians for Rural Areas Assistance Loan Repayment awards with the stipulation that loan repayment awards granted using the matched funds can be no lower than \$25,000 per recipient. Current loan repayment awards are \$20,000 per recipient.

**Recommendation: Increase all loan repayment awards to \$25,000 per recipient.**

**Department of Community Health**

**ZBB Program: Georgia Board for Physician Workforce: Physicians for Rural Areas**

**Key Activities and Alternative Approach**

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Physicians for Rural Areas Assistance Loan Repayment</b>	Manage medical education loan repayments to physicians who agree to practice in a qualifying Georgia county.	OCGA 31-34 et seq		\$530,000	\$530,000	\$160,000	\$690,000
<b>Scholarship Assistance</b>	Manage scholarships to Georgia medical students who agree to practice primary care core specialty in a qualifying Georgia county.	OCGA 20-3-510 et seq		500,000	500,000	(160,000)	\$340,000
<b>Medical Fair</b>	Provide staff support and financial support to the Georgia Association of Community Hospitals (GACH) to sponsor the annual medical fair.			40,000	40,000	0	\$40,000
<i>Total</i>			0	\$1,070,000	\$1,070,000	\$0	\$1,070,000

**Alternative** (List an alternative approach to delivering program services)

No alternative approaches to program service delivery are recommended at this time.



**Department of Community Health**

**ZBB Program: Georgia Board for Physician Workforce: Physicians for Rural Areas**

*Financial Summary*

Objects of Expenditure	Expenditures		FY 2015	Zero Based Budget Review	
	FY 2013	FY 2014	Current Budget	Changes	Recommendation
Personal Services					
Regular Operating Expenses					
Motor Vehicle Purchases					
Equipment					
Computer Charges					
Real Estate Rentals					
Telecommunications					
Contractual Services	\$330,000	\$390,000	\$570,000	\$160,000	\$730,000
Medical Scholarships	500,000	500,000	500,000	(160,000)	340,000
<b>Total Expenditures</b>	<b>\$830,000</b>	<b>\$890,000</b>	<b>\$1,070,000</b>	<b>\$0</b>	<b>\$1,070,000</b>
<b>Fund Type</b>					
State General Funds	\$830,000	\$890,000	\$1,070,000	\$0	\$1,070,000
<b>Total Funds</b>	<b>\$830,000</b>	<b>\$890,000</b>	<b>\$1,070,000</b>	<b>\$0</b>	<b>\$1,070,000</b>

Positions  
Motor Vehicles

## Department of Community Health

# ZBB Program: Georgia Board for Physician Workforce: Physicians for Rural Areas

## Performance Measures

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### Agency Purpose:

The Georgia Board for Physician Workforce addresses the health care workforce needs of Georgia communities through the support and development of medical education programs and increases the number of physicians and health care practitioners practicing in underserved rural areas.

### Program Purpose:

The purpose of this appropriation is to ensure an adequate supply of physicians in rural areas of the state, and to provide a program of aid to promising medical students.

### Performance Measures

1. Number of physicians receiving loan repayment
2. Number of students receiving scholarships
3. Percentage of qualified applicants receiving loan repayment award
4. Percentage of scholarship recipients who default
5. Percentage of loan repayment recipients still practicing in rural Georgia
6. Percentage of scholarship recipients still practicing in rural Georgia

Actuals			
FY 2011	FY 2012	FY 2013	FY 2014
13	17	17	18
28	25	25	25
39%	94%	61%	50%
0%	20%	0%	4%
N/A	N/A	N/A	62%
N/A	N/A	N/A	54%



# **FY 2016 Zero-Based Budget Analysis**

Department of Community Health  
ZBB Program: Georgia Composite Medical Board

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## Department of Community Health

# ZBB Program: Georgia Composite Medical Board

## FY 2016 Zero-Based Budget Report

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### Purpose of Review

The Georgia Composite Medical Board licenses, investigates complaints against and disciplines physicians, physician's assistants, residency trainees, respiratory care professionals, perfusionists, acupuncturists, orthotists, prosthetists, auricular (ear) detoxification specialists, laser tech specialist and pain management clinics. The purpose of this review is to analyze the efficiency and effectiveness of activities of the Georgia Composite Medical Board.

### Results of Analysis Department of Community Health

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1. Statutory Alignment: Program activities are aligned with statutory responsibilities.
2. Staffing Levels: There are 28 authorized positions and 25 full-time benefit eligible employees.
3. Fleet Management: There are six motor vehicles assigned to the program.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. The updated measures accurately reflect the performance of the program.
5. Budget Impact: Reflect other funds in the base budget and annualize Laser Tech Licensure state funds. See recommendation below.

#### Program Operations:

6. With advances in telemedicine, there are increased opportunities for physicians all over the United States to practice in Georgia without being a Georgia resident. Physicians licensed in other states who wish to practice in Georgia must go through the same application process as an unlicensed physician seeking a license. Currently there are 35 states that participate in active interstate reciprocity compacts.  
**Recommendation: Evaluate licensing by reciprocity compacts with other states. The Georgia Composite Medical Board may still charge a licensing fee for each Georgia Medical License issued under this new agreement but will not require applicants to go through the same application process as physicians applying for their first physician's license.**
7. Six months of funding was added for the Laser Tech Licensure activity by the Georgia State Assembly during the FY 2014 session.  
**Recommendation: Annualize funding for the Laser Tech Licensure activity (\$35,000).**
8. There will always be a need for primary and sealed auxiliary application documents to be delivered by hand. However, most of the application process for medical licensure could be done online, streamlining the application process.  
**Recommendation: Work with Georgia Technology Authority to explore steps that would be necessary to move all licensure application processes online. Assess any cost savings or increased expenses associated with moving to an online application process.**

*Department of Community Health*

**ZBB Program: Georgia Composite Medical Board**

*FY 2016 Zero-Based Budget Report*

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9. Though licensing fees are remitted to the Treasury, the agency retains administrative fees. Administrative fees are used to cover regular operating expenses not funded by the state funds appropriation.

**Recommendation: Align budget with expenses and amend administrative fees into the base budget (\$200,000). Utilize other funds collected during the fiscal year for program operations and in accordance with the state's policy on spending order. Lapse to the state treasury all other funds in addition to state funds not used within the fiscal year.**

10. HB 147 (2011 session) required the Georgia Composite Medical Board to link malpractice coverage to the online profile of all physicians licensed in Georgia. The link has yet to be added to physician online profiles due to one-time costs to upgrade technology and ongoing costs for maintaining the upgraded system.

**Recommendation: Work with Georgia Technology Authority to make necessary changes to comply with HB 147. Use administrative fees retained by the agency to cover any one-time costs associated with upgrading the physician profiles and ongoing maintenance cost.**

**Department of Community Health**

**ZBB Program: Georgia Composite Medical Board**

**Key Activities and Alternative Approach**

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Health Care Professional Licensing</b>	License qualified applicants as physicians, physician assistants, respiratory care professionals, perfusionists, acupuncturists, orthotists, prosthetists, cosmetic laser practitioners, cosmetic laser technicians, and auricular (ear) detoxification specialists.	OCGA 43-34-6, OCGA 43-34-240	8.0	\$681,370	\$681,370	\$71,718	\$753,088
<b>Pain Clinic Licensure</b>	Process applications for pain management clinic licenses.	OCGA 43-34-280	0.5	52,455	52,455	0	\$52,455
<b>Delegated Prescription Protocol Review</b>	Review advanced practice registered nurse (APRN) protocols that delegate the physician's prescribing privileges to the APRN.	OCGA 43-34-25	1.5	111,546	111,546	1,325	\$112,871
<b>Website Management</b>	Provide information to health care consumers, insurance providers, hospitals, and other stakeholders through the physician profiles published on its website.	OCGA 43-34A-3	2.8	362,495	362,495	36,718	\$399,213
<b>Investigations</b>	Investigate complaints and discipline those who violate the Medical Act, pain management clinic laws or other laws governing the professional behavior of the Board licensees.	OCGA 43-34-8	12.0	941,733	1,041,733	125,239	\$1,066,972
<b>Mediate Physician Health Program</b>	Administer and serve as mediator for the Physician Health Program (PHP).	OCGA 43-34-5.1	0.2	39,415	39,415	0	\$39,415
<b>Total</b>			25.0	\$2,189,014	\$2,289,014	\$235,000	\$2,424,014

**Alternative** (Alternative approach to delivering program services as provided by the agency)

Centralize the licensing and regulation of all healthcare professions under one agency. The agency believes efficiencies would be enhanced and cost reduced if licensing board's administrative and fiscal management functions were consolidated. Licensing boards to be considered include: nurses, podiatrist, physical therapist, optometrist, dentist, pharmacists, speech therapist, occupational therapist and psychologist.

**Department of Community Health**

**ZBB Program: Georgia Composite Medical Board**

*Financial Summary*

	<b>Expenditures</b>		<b>FY 2015</b>	<b>Zero Based Budget Review</b>	
<b>Objects of Expenditure</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>Current Budget</b>	<b>Changes</b>	<b>Recommendation</b>
Personal Services	\$1,773,555	\$1,868,637	\$1,942,822	\$35,000	\$1,977,822
Regular Operating Expenses	203,446	133,446	68,896	64,550	133,446
Motor Vehicle Purchases	0	39,725	0	0	0
Equipment					
Computer Charges	579	2,244	12,000	0	12,000
Real Estate Rentals	37,823	44,238	35,000	9,238	44,238
Telecommunications	107,080	147,589	93,108	54,481	147,589
Contractual Services	157,208	178,512	137,188	71,731	208,919
<b>Total Expenditures</b>	<b>\$2,279,691</b>	<b>\$2,414,391</b>	<b>\$2,289,014</b>	<b>\$235,000</b>	<b>\$2,524,014</b>
<b>Fund Type</b>					
State General Funds	\$1,929,334	\$2,109,582	\$2,189,014	\$35,000	\$2,224,014
Other Funds	350,357	304,809	100,000	200,000	300,000
<b>Total Funds</b>	<b>\$2,279,691</b>	<b>\$2,414,391</b>	<b>\$2,289,014</b>	<b>\$235,000</b>	<b>\$2,524,014</b>
Positions*	26	25	28	1	29
Motor Vehicles	6	6	6	0	6

\* Position counts shown under expenditures reflect the number of salaried, benefit eligible employees as of June 30 of that fiscal year.

## Department of Community Health

### ZBB Program: Georgia Composite Medical Board

#### Performance Measures

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##### Agency Purpose:

The Georgia Composite Medical Board licenses qualified applicants as physicians, physician's assistants, residency trainees, respiratory care professionals, perfusionists, acupuncturists, orthotists, prosthetists, and auricular (ear) detoxification specialists. The Board also to investigates complaints and disciplines those who violate the Medical Practice Act or other laws governing the professional behavior of the licensed professionals.

##### Program Purpose:

The Georgia Composite Medical Board licenses qualified applicants as physicians, physician's assistants, residency trainees, respiratory care professionals, perfusionists, acupuncturists, orthotists, prosthetists, and auricular (ear) detoxification specialists. The Board also to investigates complaints and disciplines those who violate the Medical Practice Act or other laws governing the professional behavior of the licensed professionals.

##### Performance Measures

1. Number of initial licensure applications processed
2. Number of licensure applications renewals processed
3. Number of complaints received
4. Number of investigations
5. Percentage of licenses issued or denied within 90 days of application
6. Number of disciplinary actions taken against licensed professionals
7. Average investigator caseload

Actuals			
FY 2011	FY 2012	FY 2013	FY 2014
3,459	2,963	3,531	4,481
21,258	24,103	21,534	21,369
2,195	2,061	1,729	1,771
1,131	748	595	538
74.5%	74.0%	77.6%	75.5%
333	549	457	249
19.6	20.3	22.7	22.8





# **FY 2016 Zero-Based Budget Analysis**

## Georgia Department of Corrections

### ZBB Program: Private Prisons

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## **Georgia Department of Corrections**

### **ZBB Program: Private Prisons**

#### *FY 2016 Zero-Based Budget Report*

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#### **Purpose of Review**

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The Georgia Department of Corrections (GDC) administers the prison and probation sentences of offenders adjudicated by Georgia's courts. The Private Prisons program consists of four facilities, under two contracts, with Corrections Corporations of America (CCA) and GEO Corporation. Combined, these facilities are contracted to house up to 7,974 inmates, typically of low to medium risk. The purpose of this review is to evaluate the cost-effectiveness of program activities and assess the need of private prisons as part of Georgia's future correctional infrastructure.

#### **Results of Analysis**

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1. Statutory Alignment: Program activities are aligned with statutory responsibilities.
2. Staffing Levels: There are no positions funded in this program.
3. Fleet Management: There are no motor vehicles assigned to the program.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. The updated measures accurately reflect the performance of the program.
5. Budget Impact: Maintain the current funding level.

#### Program Operations:

6. The Criminal Justice Reform Act of 2012 is expected to divert low risk inmates and drug offenders away from the correctional system through the utilization of alternative sentencing programs such as county drug courts. These diversions are expected to negate the previously projected 8% increase in the prison population and \$264 million in associated costs. The future prison population will consist of a more hardened and higher risk inmate, of which private prisons are not currently equipped to detain. Private prisons utilize an "open-bay" housing design structure in the majority of their facilities. This design is meant to accommodate a low to medium security risk inmate and is not conducive to accommodate a large number of inmates who require single-cell confinement.

**Recommendation: Evaluate contracts with private prison vendors on an annual basis to ensure that offenders' profiles fit private prison capacity and capabilities.**

7. Research has shown that offenders who re-enter communities after receiving evidence based programming (substance abuse, educational, and vocational) are up to 7.5% less likely to reoffend within three years. Private prisons are required to provide components of evidence based programming to offenders, but programs are not standardized among the private prison facilities.

**ZBB Program: Private Prisons**

*FY 2016 Zero-Based Budget Report*

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**Recommendation:** Negotiate with private prison vendors upon contract renewal to mandate that evidence based programming is available to meet the needs of offender profile types. The Department shall plan to provide services to ensure offenders are afforded the same opportunity to rehabilitate and succeed following their release from the prison system, regardless of their assignment to a state or private prison. In the interim period prior to contract renewal, the Department shall continue to transfer offenders to other prison locations if programming is not available to meet their needs at a private prison.

**Georgia Department of Corrections**  
**ZBB Program: Private Prisons**

*Key Activities and Alternative Approach*

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Riverbend Correctional Facility</b>	Opened in December 2011 as an adult male medium security prison in Milledgeville with a max capacity by contract of 1,500 inmates. Offers various academic, vocational, and counseling classes to rehabilitate offenders. Owned and operated by the GEO Group.	OCGA 42-2-11		\$28,196,250	\$28,196,250	\$0	\$28,196,250
<b>Wheeler Correctional Facility</b>	Opened in 1998 as an adult male medium security prison in Alamo with a max capacity by contract of 2,638 inmates. Offers various academic, vocational, and counseling classes as well as faith based programs to rehabilitate offenders. Owned and operated by Corrections Corporation of America.	OCGA 42-2-11		42,733,573	42,733,573	0	42,733,573
<b>Jenkins Correctional Facility</b>	Opened in 2012 as an adult male medium security prison in Millen with a max capacity by contract of 1,150 inmates. Offers various academic, vocational, and counseling classes as well as faith based programs. Owned and operated by Corrections Corporation of America.	OCGA 42-2-11		22,057,863	22,057,863	0	22,057,863
<b>Coffee Correctional Facility</b>	Opened in 1998 as an adult male medium and close security prison in Nicholls with a max capacity by contract of 2,628. Offers various academic, vocational, and counseling classes as well as faith based programs. Owned and operated by Corrections Corporation of America.	OCGA 42-2-11		41,920,338	41,920,338	0	41,920,338
<i>Total</i>			0	\$134,908,024	\$134,908,024	\$0	\$134,908,024

**Alternative** (Alternative approach to delivering program services as provided by the agency)

No alternative approaches to program services delivery are recommended at this time.

**Georgia Department of Corrections**  
**ZBB Program: Private Prisons**

*Financial Summary*

	Expenditures		FY 2015	Zero Based Budget Review	
Objects of Expenditure	FY 2013	FY 2014	Current Budget	Changes	Recommendation
Personal Services					
Regular Operating Expenses					
Motor Vehicle Purchases					
Equipment					
Computer Charges					
Real Estate Rentals					
Telecommunications					
Contractual Services	\$134,694,789	\$133,811,261	\$134,908,024	\$0	\$134,908,024
<b>Total Expenditures</b>	\$134,694,789	\$133,811,261	\$134,908,024	\$0	\$134,908,024
<b>Fund Type</b>					
State General Funds	\$134,694,789	\$133,811,261	\$134,908,024	\$0	\$134,908,024
<b>Total Funds</b>	\$134,694,789	\$133,811,261	\$134,908,024	\$0	\$134,908,024
Positions					
Motor Vehicles					

## Georgia Department of Corrections

### ZBB Program: Private Prisons

#### Performance Measures

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##### Agency Purpose:

The Georgia Department of Corrections administers the prison and probation sentences of offenders adjudicated by Georgia courts. The Department of Corrections creates a safer Georgia by effectively managing offenders and providing opportunities for positive change.

##### Program Purpose:

The purpose of this program is to contract with private companies to provide cost-effective prison facilities that ensure public safety.

##### Performance Measures

1. Annual occupancy rate
2. Three-year felony reconviction rate
3. Number of GED diplomas received in private prisons
4. Number of contracted private prison beds as a percentage of all inmate beds
5. Average daily cost per inmate\*

Actuals			
FY 2011	FY 2012	FY 2013	FY 2014
97%	83%	99%	99%
31%	28%	30%	30%
178	82	200	234
11%	14%	16%	17%
\$46	\$53	\$51	N/A

\*FY 2014 data will not be available until an independent audit has been completed.



# **FY 2016 Zero-Based Budget Analysis**

Georgia Department of Corrections

ZBB Program: Transition Centers

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## ***Georgia Department of Corrections***

# **ZBB Program: Transition Centers**

### ***FY 2016 Zero-Based Budget Report***

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#### **Purpose of Review**

The Georgia Department of Corrections (GDC) administers the prison and probation sentences of offenders adjudicated by Georgia courts. The Transition Centers (TC) program provides work release for offenders, which allows the offender to obtain and maintain a paying job in the community while living in the TC. Offenders also participate in relevant programming targeted to substance abuse counseling, educational classes, and developing career skills. There are 13 Transitional Centers located throughout the state, two of which are dedicated to housing female inmates, for a maximum occupancy of 2,683 offenders. The purpose of this review is to evaluate the cost effectiveness of program activities and ensure that performance measures effectively track progress to program goals.

#### **Results of Analysis**

1. Statutory Alignment: Program activities are aligned with statutory responsibilities.
2. Staffing Levels: The program has 434 full-time benefit eligible employees.
3. Fleet Management: There are 82 motor vehicles assigned to the program.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. The updated measures accurately reflect the performance of the program.
5. Budget Impact: Maintain the current funding level.

#### **Program Operations:**

6. When traveling to and from work sites, the offender must utilize an approved mode of transportation, which varies by facility. The offender is responsible for all costs associated with transportation, which also varies depending on the mode and frequency of travel. If public transportation is not suitable or available, some facilities contract with private vendors to provide transportation services. Although the vendor contracts are facilitated by the TC, the offenders are responsible for payment. The lack of transportation standardization across facilities, coupled with limited available transportation options currently provided by the facility, leads to high transportation costs for the offender, affects an offender's ability to get to and from work sites in a timely manner, and imposes on the accountability of off-site offenders.



## **ZBB Program: Transition Centers**

### *FY 2016 Zero-Based Budget Report*

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**Recommendation: Research and implement a private and agency-based transportation standard across all TC's. Methods for each TC will be based upon location (rural/metropolitan), proximity and availability of public transportation, and cost effectiveness to both inmate and facility. The fees collected from the offenders for transportation services will be remitted to the state treasury and offset the cost of providing the service.**

7. Offenders on work release travel to and from a TC to their respective work sites by various modes of transportation with no means to formally communicate any urgent issue that may occur during travel to the appropriate party. Current law (OCGA 42-5-18) prohibits the transport of non-state authorized cell phones into any state correctional facility. GDC officials now believe that allowing TC offenders to utilize cell phones while traveling to and from their work site would improve security and communication between inmates, TC staff, and employers. A cell phone pilot was conducted at the Valdosta TC from April to September 2010, with success. The pilot increased communication between staff and inmates, and served as a tool to incentivize inmate compliance.

**Recommendation: Evaluate allowing TC offenders to voluntarily use cell phones while outside of the TC during work-hours by utilizing a check-in process in which the cell phones would be detained by the appropriate TC personnel upon entering the TC. Cell phones can be checked-out by the TC offender once the offender has been processed out of the facility for the next work day.**

8. Around 18,000 inmates per year are released into society who have either served the entirety of their sentence or will be released under parole supervision. On average, 2,400 inmates enter into a TC twelve months prior to their release annually. Many inmates are released into the general population without receiving the same opportunities afforded to those inmates in the TC program.

**Recommendation: Offenders who re-enter into the community after being released from a transitional center are up to one-third less likely to recidivate. In light of recent re-entry initiatives, the agency should increase transition services to offenders before release.**

9. Seven out of every ten inmates lack a high school diploma or GED upon entry to prison. In FY 2014, only 605 inmates received their GED in a state prison (excludes county and private prisons) due to lack of capacity or because the inmate had been rendered ineligible for participation due to low aptitude test scores. GDC has developed a proposal that seeks to expand GED program capacity in TC's by establishing a 'fast-track' online GED program at each TC for inmates who have yet to earn their GED or high school diploma 12-months prior to their release.

**Recommendation: Incorporate the TC educational expansion proposal and increase the GED program capacity.**

**Georgia Department of Corrections**  
**ZBB Program: Transition Centers**

*Key Activities and Alternative Approach*

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Security</b>	Provides a safe and secure environment for offenders and staff and transports offenders to and from various appointments and work sites on an as needed basis.	OCGA 42-2-5	299	\$15,648,591	\$15,648,591	\$0	\$15,648,591
<b>Facility Operations</b>	Provides maintenance and operational support to transition center facilities with the assistance of the TC's long-term maintenance resident offenders.	OCGA 42-2-5	5	4,946,266	4,946,266	0	4,946,266
<b>Food Services</b>	Prepares and serves food at the statutorily required level of nutrition for the offenders under supervision.	OCGA 42-4-32; 42-2-5	25	1,106,489	1,106,489	0	1,106,489
<b>Administration</b>	Provides financial, human resource, clerical, and other support to the program.	OCGA 42-2-5	64	3,961,478	3,961,478	0	3,961,478
<b>Counseling</b>	Provides behavioral health and substance abuse counseling to offenders.	OCGA 42-2-5	40	3,244,393	3,244,393	0	3,244,393
<b>Adult Education</b>	Provides GED (General Education Development), basic education, and vocational training for a variety of skill areas.	OCGA 42-5-57; 42-2-5	1	64,950	64,950	0	64,950
<i>Total</i>			434	\$28,972,167	\$28,972,167	\$0	\$28,972,167

**Alternative** (Alternative approach to delivering program services as provided by the agency)

No alternative approaches to program services delivery are recommended at this time.

**Georgia Department of Corrections**

**ZBB Program: Transition Centers**

*Financial Summary*

<b>Objects of Expenditure</b>	<b>Expenditures</b>		<b>FY 2015</b>	<b>Zero Based Budget Review</b>	
	<b>FY 2013</b>	<b>FY 2014</b>	<b>Current Budget</b>	<b>Changes</b>	<b>Recommendation</b>
Personal Services	\$22,474,523	\$22,534,521	\$23,869,702	\$0	\$23,869,702
Regular Operating Expenses	2,725,777	2,773,889	2,424,176	0	2,424,176
Motor Vehicle Purchases	317,966				
Equipment		6,790			
Computer Charges	106,131	106,761	43,009	0	43,009
Real Estate Rentals	2,300,907	2,425,574	2,366,801	0	2,366,801
Telecommunications	572,078	621,751	265,779	0	265,779
Capital Outlay	34,970	108,296	2,700	0	2,700
Contractual Services	1,316,451	422,208			
Grants and Benefits		4,248			
Central Repair Fund		51,766			
<b>Total Expenditures</b>	<b>\$29,848,803</b>	<b>\$29,055,804</b>	<b>\$28,972,167</b>	<b>\$0</b>	<b>\$28,972,167</b>
<b>Fund Type</b>					
State General Funds	\$27,756,858	\$28,400,214	\$28,972,167	\$0	\$28,972,167
Federal Funds	1,239,010	400,689			
Other Funds	852,936	254,901			
<b>Total Funds</b>	<b>\$29,848,803</b>	<b>\$29,055,804</b>	<b>\$28,972,167</b>	<b>\$0</b>	<b>\$28,972,167</b>
Positions	435	437	434	0	434
Motor Vehicles	82	82	82	0	82

\* Position counts shown under expenditures reflect the number of salaried, benefit eligible employees as of June 30 of that fiscal year.

## Georgia Department of Corrections

### ZBB Program: Transition Centers

#### Performance Measures

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**Agency Purpose:**

The Georgia Department of Corrections administers the prison and probation sentences of offenders adjudicated by Georgia courts. The Department of Corrections creates a safer Georgia by effectively managing offenders and providing opportunities for positive change.

**Program Purpose:**

The purpose of this program is to provide "work release," allowing inmates to obtain and maintain a paying job in the community, while still receiving housing, academic education, counseling, and substance abuse treatment in a structured center.

**Performance Measures**

1. Percent of offenders who successfully completed TC programming
2. Annual occupancy rate
3. Three-year felony reconviction rate
4. Number of transition center beds as a percentage of all inmate beds
5. Annual room and board fees collected
6. Employment rate for TC offenders statewide
7. Percent of vacant security positions

Actuals			
FY 2011	FY 2012	FY 2013	FY 2014
78%	81%	80%	79%
97%	97%	100%	100%
19%	20%	18%	19%
6%	5%	5%	6%
\$4,508,981	\$4,479,296	\$4,482,073	\$5,140,843
N/A	N/A	78%	89%
4%	5%	7%	7%



# **FY 2016 Zero-Based Budget Analysis**

## Department of Early Care and Learning

### ZBB Program: Pre-Kindergarten

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## ***Department of Early Care and Learning***

### **ZBB Program: Pre-Kindergarten**

#### ***FY 2016 Zero-Based Budget Report***

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##### **Purpose of Review**

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Georgia's Pre-Kindergarten program (Pre-K) provides universal, voluntary access to high-quality learning environments for the state's four-year-olds. The program includes standards based instruction, formative assessments, observations of teacher-child interactions, workforce professional development opportunities, and a monitoring system to track progress and quality. Classroom instruction on language skills are aligned with the Governor's goal to increase the percentage of students reading at grade level by the third grade. The purpose of this review is to ensure the Pre-K program operates efficiently and is strategically aligned with the program purpose to increase school readiness by further defining key activities of the program, examining program expenditures, and updating performance measures.

##### **Results of Analysis**

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1. Statutory Alignment: Program activities are aligned with statutory responsibilities.
2. Staffing Levels: The program has 62 full-time benefit eligible employees.
3. Fleet Management: There are two motor vehicles assigned to the program.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. The updated measures accurately reflect the performance of the program.
5. Budget Impact: Increase lottery funds by \$4,476,817. See recommendations below.

##### Program Operations:

6. In FY 2014, 34.3% of total lottery funds were appropriated for the Pre-K program. Approximately 96.4% of the Department of Early Care and Learning's (DECAL) lottery funds appropriation provided direct grant payments for 3,848 classrooms. Approximately 55.6% of sites are managed by private providers, 43.2% by local school systems, and 1.2% by other public providers.
7. Since FY 2014, Pre-K grants fund 180 instructional days and 8 planning days for teachers. Increasing the number of planning days increases teacher salaries and the Pre-K program's ability to retain experienced teachers. Between FY 2012 and FY 2014, as lead teacher salaries increased by 9.9%, the lead teacher retention rate also increased by 10.8%.

**Recommendation: Increase lottery funds by \$3,036,817 to increase the number of teacher planning days to 10 days. Increasing planning days will increase teacher salaries by 1.5% and provide teachers with additional time to better prepare for the purpose of offering high quality learning opportunities for Pre-K children.**

**Department of Early Care and Learning**  
**ZBB Program: Pre-Kindergarten**

***FY 2016 Zero-Based Budget Report***

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8. Since FY 2010, DECAL has offered the Summer Transition Program (STP), which is designed to reduce the achievement gap by offering a six-week transition program during June and July. The program uses federal funds and includes students who meet low-income eligibility requirements. STP runs two separate course offerings. The original Rising Kindergarten STP started in FY 2010 and a Rising Pre-K STP program started in FY 2013. Rising Kindergarten STP is for rising kindergarteners who did not receive Pre-K instruction or needed additional academic support before entering kindergarten. Rising Pre-K STP targets Spanish-speaking dual language learners eligible to attend Pre-K the following school year. An independent study found these programs make a significant impact on students' pre-literacy and school readiness skills.

**Recommendation: Increase lottery funds by \$1,440,000 for 40 Rising Kindergarten classes and 20 Rising Pre-K classes. Providing additional transition services for low-income students will help reduce the achievement gap by providing additional family support and resources to targeted high needs populations.**

9. The Pre-K program serves approximately 60% of Georgia's four year olds. There were 6,076 students on the waitlist in FY 2014 waiting to enter the Pre-K program. While the number of children on the waitlist decreased by 29% since FY 2011, some rural and highly populated areas continue to have large waitlists and limited capacity to serve these children. Fifteen of 180 local school systems do not offer Pre-K. Of these 15 systems, four systems offered Pre-K in the past but withdrew citing lack of instructional space as a significant factor in their withdrawal.

**Recommendation: Increase capacity by studying how to adequately address lack of instructional space, particularly in areas with large waitlists, and collaborate with Pre-K providers to expand existing sites and add classrooms.**

10. A FY 2007 independent study concluded policies focused only on increasing teachers' education did not definitively improve classroom quality or maximize children's academic gains. It further stressed the importance of teacher trainings. DECAL now requires lead teachers to obtain a bachelor's degree, pass the New Teacher Institute courses, and attend annual trainings. DECAL provides additional training and professional development opportunities to ensure teachers have substantial training to effectively manage a classroom.
11. DECAL commissioned a three phase study beginning in FY 2012 to measure the impact of Georgia's Pre-K program. The agency released two reports on two out of three phases for this study. Results showed participation in the Pre-K program improves school readiness skills. Average scores for Georgia's Pre-K participants were above the national norm on key standardized measures of language, literacy and math skills. Average scores for Georgia's children who did not attend Georgia's Pre-K program showed students to be at or below the national norm. The first two phases did not evaluate the long term impact of Pre-K education on children. The third phase of the study is designed to track a cohort of Pre-K students through third grade.

***Department of Early Care and Learning***

**ZBB Program: Pre-Kindergarten**

***FY 2016 Zero-Based Budget Report***

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**Recommendation: Continue funding the third phase of the study tracking children's progress through the third grade to adequately determine the impact Pre-K has on the student population and on a child's ability to read at grade level by third grade. Determining this impact informs best practices in reaching the Governor's goal of increasing the percentage of children reading at grade level by third grade.**



## Department of Early Care and Learning

### ZBB Program: Pre-Kindergarten

#### Key Activities and Alternative Approach

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds <sup>1</sup>	FY 2015 Total Budget	Changes	Recommendation
<b>Pre-Kindergarten Grants</b>	Georgia Pre-Kindergarten classroom grants are formula-driven grants to fund Pre-Kindergarten classrooms and administration in public and private facilities across the state. The grants are intended to fund classrooms to accommodate up to 84,000 four year old students annually. In FY 2015, \$303M will go directly to classrooms as grants. The remainder funds administration including budgeting and accounting, information systems, and statewide programming coordination.	OCGA 20-1A-4	25.4	\$307,064,482	\$307,064,482	\$4,476,817	\$311,541,299
<b>Monitoring and Technical Assistance</b>	Department of Early Care and Learning (DECAL) staff monitor Pre-Kindergarten classrooms and their administration to ensure program adherence as well as provide on-site technical assistance to teachers and administrators for better program outcomes.	OCGA 20-1A-4	35.3	4,000,679	4,000,679	0	4,000,679
<b>Training for Teachers and Administrators</b>	In an effort to increase the quality of student-teacher interactions, DECAL contracts with the Best Practices Division at Georgia State University to develop and conduct annual professional development training modules for lead teachers, assistant teachers, and administrators.	OCGA 20-1A-4	0.1	1,594,468	1,594,468	0	1,594,468
<b>Pre-Kindergarten Research</b>	Primarily contracted, researchers conduct independent research and analysis of data in order to determine the impact of the Pre-Kindergarten program amongst a variety of factors including school readiness.	OCGA 20-1A-4	0.2	1,640,403	1,640,403	0	1,640,403
<b>Head Start Coordination</b>	DECAL acts as a State of Georgia liaison for the federal Head Start Program and all Georgia grantees.	OCGA 20-1A-4	1.0		162,400	0	162,400
<i>Total</i>			62.0	\$314,300,032	\$314,462,432	\$4,476,817	\$318,939,249

#### Alternative (Alternative approach to delivering program services as provided by the agency)

Provide Pre-K classrooms only through local school systems. Currently, DECAL has a grant agreement with 171 schools systems to offer Georgia's Pre-K at 776 schools. However, Pre-K services are not the primary function of local school systems, and the funding to support the classes is lottery funded. Without lottery funding, many schools systems would not have the local funds to offer services.

<sup>1</sup>All state funds in this program are lottery proceeds.

**Department of Early Care and Learning**  
**ZBB Program: Pre-Kindergarten**

*Financial Summary*

<b>Objects of Expenditure</b>	<b>Expenditures</b>		<b>FY 2015</b>	<b>Zero Based Budget Review</b>	
	<b>FY 2013</b>	<b>FY 2014</b>	<b>Current Budget</b>	<b>Changes</b>	<b>Recommendation</b>
Personal Services	\$3,588,121	\$4,258,290	\$4,923,069	\$0	\$4,923,069
Regular Operating Expenses	493,103	571,640	873,080	0	873,080
Motor Vehicle Purchases					
Equipment	38,951	8,047	10,000	0	10,000
Computer Charges	330,927	358,545	633,522	0	633,522
Real Estate Rentals	109,800	114,718	125,126	0	125,126
Telecommunications	122,725	121,557	110,445	0	110,445
Contractual Services	6,684,133	5,883,478	4,771,191	0	4,771,191
Pre-Kindergarten Grants	282,571,918	293,768,173	302,853,599	4,476,817	307,330,416
Federal Nutrition Grants	194,326	175,000	162,400	0	162,400
<b>Total Expenditures</b>	<b>\$294,134,004</b>	<b>\$305,259,448</b>	<b>\$314,462,432</b>	<b>\$4,476,817</b>	<b>\$318,939,249</b>
<b>Fund Type</b>					
Lottery Funds	\$293,939,678	\$305,084,448	\$314,300,032	\$4,476,817	\$318,776,849
Federal Funds	194,326	175,000	162,400	0	162,400
<b>Total Funds</b>	<b>\$294,134,004</b>	<b>\$305,259,448</b>	<b>\$314,462,432</b>	<b>\$4,476,817</b>	<b>\$318,939,249</b>
Positions*	40	57	62	0	62
Motor Vehicles	2	2	2	0	2

\* Position counts shown under expenditures reflect the number of salaried, benefit eligible employees as of June 30 of that fiscal year.

**Department of Early Care and Learning**  
**ZBB Program: Pre-Kindergarten**

*Performance Measures*

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**Agency Purpose:**

The Department of Early Care and Learning oversees a wide range of programs focused on meeting the child care and early education needs of Georgia's children and their families.

**Program Purpose:**

The purpose of this program is to provide funding, training, technical assistance, and oversight of Pre-Kindergarten programs operated by public and private providers throughout the state and to improve the quality of early learning and increase school readiness for Georgia's four-year-olds.

**Performance Measures**

1. Georgia Pre-Kindergarten program enrollment
2. Number of children on Pre-Kindergarten waiting list
3. Percentage of classrooms implementing Work Sampling System (WSS) online in order to monitor and report student progress
4. Percentage of children rated as "in process" or "proficient" on at least 80% of the WSS Language and Literacy Indicators
5. Percentage of children rated as "in process" or "proficient" on at least 80% of the WSS Mathematics indicators
6. Percentage of new Pre-Kindergarten teachers who attended both days of New Pre-K Teacher Institute who scored at 80% or above on all proficiency quizzes

Actuals			
FY 2011	FY 2012	FY 2013	FY 2014
82,608	82,868	81,683	81,453
8,503	6,214	6,883	6,076
27%	53%	83%	100%
94%	92%	93%	95%
91%	92%	94%	92%
N/A	N/A	N/A	93%



# **FY 2016 Zero-Based Budget Analysis**

## Employees' Retirement System of Georgia

### ZBB Program: System Administration

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## ***Employees' Retirement System of Georgia***

### **ZBB Program: System Administration**

#### ***FY 2016 Zero-Based Budget Report***

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#### **Purpose of Review**

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The System Administration program in the Employees' Retirement System (ERS) of Georgia collects employee and employer contributions, invests the accumulated funds, and disburses retirement benefits to members and beneficiaries. The purpose of this review is to ensure that this program is functioning efficiently and effectively.

#### **Results of Analysis**

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1. Statutory Alignment: Program activities are aligned with statutory responsibilities.
2. Staffing Levels: The program has 95 full-time benefit eligible employees. 47 in Member Services, 17 in Financial Services, and 31 in Support Services. There are currently two vacant funded positions in Member Services.
3. Fleet Management: There is one motor vehicle assigned to the program: a pool-car available for use by ERS employees traveling on business outside of the office.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. The updated measures accurately reflect the performance of the program.
5. Budget Impact: Maintain the current funding level.

#### Program Operations:

6. In 2014, the agency conducted an enrollment audit to determine if employees were enrolled appropriately in the system. This was the first time this audit was conducted and resulted in identifying some employees who were not properly enrolled.  
**Recommendation: Conduct an annual enrollment verification audit to ensure all individuals are enrolled properly.**
7. ERS does not subscribe to any state indicators or federal benchmarks relating to pension system administration.  
**Recommendation: ERS will participate in some form of benchmarking analysis. This will allow ERS a chance to identify what the organization is doing well and what it can improve upon based on the results of other pension systems.**

## ***Employees' Retirement System of Georgia***

### **ZBB Program: System Administration**

#### ***FY 2016 Zero-Based Budget Report***

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8. ERS uses their website to connect with members and beneficiaries. Currently, members of ERS can obtain informational packets, access and update personal account information, apply for a refund, and run estimate calculations. The agency is working towards enhancing their website by implementing an online retirement application process which would eliminate manual input of potential retiree information.

**Recommendation: Continue to develop a system where members can fill out retirement applications online in order to enhance electronic data collection. Consider creating a web based chat system for members to interact with communications specialists.**

9. HB 764 (2014 Session, Act 663) allows for Georgia State Employees' Pension and Savings Plan (GSEPS) members to become eligible for membership on or after July 1, 2014 with an initial contribution rate of 5% of their salary (rather than 1%) to the 401(k) plan. Employees may opt out of the 5% contribution or otherwise elect to change their contribution rate through GaBreeze. The automatic enrollment change from 1% to 5% allows members to take advantage of the full employer match offered by the state.

**Recommendation: Continue to educate members on their overall benefits under GSEPS and the new 5% default rate through newsletters, the human resources community, new hire packets, GSEPS videos, and electronic mail.**

## Employees' Retirement System of Georgia

### ZBB Program: System Administration

#### Key Activities and Alternative Approach

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Member Services</b>	Calculate benefits; provide and process paperwork to begin payment of benefits; communicate regularly with members and retirees.	OCGA 47-2-20 OCGA 47-2-52	47	\$0	\$3,261,608	\$0	\$0
<b>Financial Services</b>	Collect and store data (demographic, work history, payroll); maintain the retiree payroll that provides benefits; report financial and tax information; collect monetary contributions; invest funds; disburse benefits.	OCGA 47-2-20 OCGA 47-2-52 OCGA 47-2-31 OCGA 47-2-331 OCGA 47-20-82 OCGA 47-20-83	17	0	9,806,424	0	0
<b>Support Services</b>	Provide IT services; maintain the document processing center; provide administrative support services.		31	15,400	6,655,638	0	15,400
<i>Total</i>			95	\$15,400	\$19,723,670	\$0	\$15,400

#### Alternative (Alternative approach to delivering program services as provided by the agency)

No alternative approaches to program services delivery are recommended at this time.

**Employees' Retirement System of Georgia**  
**ZBB Program: System Administration**

*Financial Summary*

Objects of Expenditure	Expenditures		FY 2015	Zero Based Budget Review	
	FY 2013	FY 2014	Current Budget	Changes	Recommendation
Personal Services	\$7,547,492	\$7,606,102	\$8,273,269	\$0	\$8,273,269
Regular Operating Expenses	206,566	230,416	284,350	0	284,350
Motor Vehicle Purchases					
Equipment	189,519	165,701	147,000	0	147,000
Computer Charges	456,981	479,891	500,000	0	500,000
Real Estate Rentals	622,416	603,936	603,936	0	603,936
Telecommunications	119,319	116,132	146,000	0	146,000
Investment Contracts <sup>1</sup>	5,523,255	6,110,970	6,929,000	0	6,929,000
Accounting Contracts <sup>2</sup>	465,586	480,513	524,000	0	524,000
Other Contractual Services <sup>3</sup>	1,458,026	1,471,828	2,316,115	0	2,316,115
Social Security Administration			10,400	0	10,400
Judicial Retirement System Contributions <sup>4</sup>			5,000	0	5,000
<b>Total Expenditures</b>	<b>\$16,589,160</b>	<b>\$17,265,489</b>	<b>\$19,739,070</b>	<b>\$0</b>	<b>\$19,739,070</b>
<b>Fund Type</b>					
State General Funds			\$15,400	\$0	\$15,400
Other Funds	\$16,589,160	\$17,265,489	19,723,670	0	19,723,670
<b>Total Funds</b>	<b>\$16,589,160</b>	<b>\$17,265,489</b>	<b>\$19,739,070</b>	<b>\$0</b>	<b>\$19,739,070</b>
Positions <sup>5</sup>	95	95	95	0	95
Motor Vehicles	1	1	1	0	1

<sup>1</sup>ERS contracts with the Division of Investing Services in Teachers Retirement System.

<sup>2</sup>ERS contracts with Teachers Retirement System for accounting services.

<sup>3</sup>Temporary help (contractual labor - IT); IT security (disaster recovery); actuarial services and medical fees.

<sup>4</sup>The \$5,000 listed above are one time pass-through funds for employees moving from JRS to ERS to cover credible service.

<sup>5</sup>Position counts shown under expenditures reflect the number of salaried, benefit eligible employees as of June 30 of that fiscal year.



## ***Employees' Retirement System of Georgia***

### **ZBB Program: System Administration**

#### ***Performance Measures***

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##### **Agency Purpose:**

Employees' Retirement System of Georgia administers separate and distinct cost-sharing, multiple employer defined benefit pension plans for various employer agencies of the State of Georgia, as well as defined contribution plans, and a life insurance plan. Employees' Retirement System of Georgia also serves as the State Social Security Administrator for all political subdivisions of the state.

##### **Program Purpose:**

The purpose of this program is to collect employee and employer contributions, invest the accumulated funds, and disburse retirement benefits to members and beneficiaries.

##### **Performance Measures**

1. Number of retirees and beneficiaries currently receiving benefits
2. Total benefit payments made during fiscal year (in millions)
3. New retiree on-time processing rate
4. Average speed to answer incoming calls (in seconds)<sup>1</sup>
5. Number of calls dropped compared to volume of calls
6. Number of audit findings in the Annual Financial Audit
7. Number of active enrollees as of June 30th
8. Total number of applications processed compared to the number of applications processed without error<sup>2</sup>

Actuals			
FY 2011	FY 2012	FY 2013	FY 2014
40,250	42,053	44,546	45,819
\$1,168.82	\$1,216.74	\$1,269.20	\$1,306.00
99.0%	99.5%	99.7%	99.6%
49	56	82	50
4.0%	4.3%	6.4%	3.7%
0	0	0	0
66,081	63,963	61,554	60,490
N/A	N/A	96.5%	N/A

<sup>1</sup>FY 2013 performance is due to a 21% increase in call volume over the average call volume of the two prior fiscal years.

<sup>2</sup>ERS is in the process of conducting an internal review for this data.



# **FY 2016 Zero-Based Budget Analysis**

## Georgia Forestry Commission

### ZBB Program: Commission Administration

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## **Georgia Forestry Commission**

# **ZBB Program: Commission Administration**

### *FY 2016 Zero-Based Budget Report*

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#### **Purpose of Review**

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The Commission Administration program incorporates a variety of roles and responsibilities to support the Georgia Forestry Commission (GFC) including financial and grant administration, procurement, property, fleet and contract management, IT services, and human resources. The purpose of this review is to identify efficiencies in the operation and key activities of the Commission Administration program.

#### **Results of Analysis**

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1. Statutory Alignment: Program activities are aligned with statutory requirements.
2. Staffing Levels: The program has 33 full-time benefit eligible employees.
3. Fleet Management: There are 18 motor vehicles assigned to this program, which serve as an agency-wide motor pool.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. The updated measures accurately reflect the performance of the program.
5. Budget Impact: Maintain the current funding level.

##### Program Operations:

6. The Commission Administration program provides oversight for the agency's participation in the Federal Firefighter Property (FFP) program. The program allows for the acquisition of excess Department of Defense (DOD) vehicles, generators, tools, and supplies for local emergency and firefighting use. To date, the Commission has acquired FFP equipment worth \$20.9 million. Of this amount, rural fire departments have received equipment valued at \$13.4 million. After the equipment is received, it is retrofitted to match the need of agencies that provide fire protection activities and emergency services throughout the state. The equipment is provided by the federal government at no cost to the agency, local governments, and rural firefighting departments. The Commission designates screeners throughout the agency to monitor the DOD property database for potential equipment to acquire. The asset and fleet managers in the program coordinate the screening process and make the final request to the DOD to obtain the equipment.

## ***Georgia Forestry Commission***

### **ZBB Program: Commission Administration**

#### ***FY 2016 Zero-Based Budget Report***

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7. Since the beginning of FY 2014, the agency has employed an in-house online workers' compensation program, CAIRS (Close call, Accident, and Injury Reporting System) to electronically monitor and manage workers' compensation incidents and claims. The system also allows for the collection of data for incidents that did not necessarily result in workers' compensation claim. The data is used by agency safety officers to investigate and institute preventative measures to assist in preventing and reducing future exposure. There were 40 new workers' compensation claims in FY 2014, averaging \$2,579 per claim. This is a slight decrease from FY 2013 when there were 43 claims averaging \$4,583. The system was developed internally and could be made available to other state agencies in the future.

**Recommendation: Partner with the Risk Management Services division within the Department of Administrative Services to determine if the CAIRS system to manage workers' compensation claims would be beneficial to other state agencies.**

8. The Commission Administration program's current FY 2015 budget is \$3,526,653. During the past two fiscal years, the program has lapsed an average of \$63,951 in total state and other funds to the state treasury at the end of each fiscal year.
9. The Governor's Winter Weather Task Force included a fleet management working group, aimed at identifying ways to allow for the accurate tracking of vehicles and personnel in the field, with minimal additional investments. The working group recommended using the existing Georgia Online Disaster Awareness Geospatial System (GODAWGS) at the Georgia Emergency Management Agency to create a common fleet management approach. The system can track GPS locations for strike teams using smart phone applications.

**Recommendation: Utilize existing funds of \$48,000 to implement GPS tracking with GODAWGS by using smart phone technology for 100 strike teams.**

## Georgia Forestry Commission

### ZBB Program: Commission Administration

#### Key Activities and Alternative Approach

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Director's Office</b>	Develops GFC strategy and ensures resources are appropriately and effectively allocated to accomplish the organization's mission.	OCGA 12-6-5; 12-6-6; 12-6-81	3	\$273,533	\$273,533	\$0	\$273,533
<b>Director of Field Operations</b>	Manages and supervises the field level implementation of all GFC programs in six districts and 110 field offices.	OCGA 12-6-5; 12-6-6; 12-6-81	2	210,182	210,182	0	210,182
<b>Federal Grants Administration</b>	Manages Incident Business Management processes and federal grant processes. Oversees and prepares federal applications. Oversees federal grant budgets, expenditures, and cash disbursements. Assures all federal compliance.	OCGA 12-6-5; 12-6-6; 12-6-81	2	269,561	336,753	0	269,561
<b>Human Resources and Training</b>	Administers all system-wide employee benefit programs and internal human resource activities including recruitment. Provides training to employees.	OCGA 12-6-5; 12-6-6; 12-6-81	6	461,025	509,825	0	461,025
<b>Financial Services Administration</b>	Provides general financial support to the agency including: payroll, accounts payable, accounts receivable, procurement, fixed assets, and budgeting.	OCGA 12-6-5; 12-6-6; 12-6-81	14	1,382,254	1,382,254	0	1,382,254
<b>Information Technology</b>	Provides operational support and technical assistance for the acquisition and operation of hardware/software used in agency-wide operations. Develops and maintains the automated agency intranet program.	OCGA 12-6-5; 12-6-6; 12-6-81	4	451,607	451,607	0	451,607
<b>Fleet Management</b>	Manages the GFC inventory of vehicles and crawler tractors including replacement schedules, procurement, distribution, specifications, Automotive Resources International (ARI) and Wright Express (WEX) maintenance fuel and expense records.	OCGA 12-6-5; 12-6-6; 12-6-81	1	98,699	98,699	0	98,699

## Georgia Forestry Commission

### ZBB Program: Commission Administration

#### Key Activities and Alternative Approach

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Building and Grounds</b>	Performs building repairs and maintenance, housekeeping, and ground keeping for the agency headquarters. Supports and assists district management and county units with repairs and maintenance as needed.	OCGA 12-6-5; 12-6-6; 12-6-81	1	254,704	263,800	0	254,704
<i>Total</i>			33	\$3,401,565	\$3,526,653	\$0	\$3,401,565

#### Alternative (Alternative approach to delivering program services as provided by the agency)

No alternative approaches to program service delivery are recommended at this time.

## Georgia Forestry Commission

### ZBB Program: Commission Administration

#### Financial Summary

Objects of Expenditure	Expenditures		FY 2015	Zero Based Budget Review	
	FY 2013	FY 2014	Current Budget	Changes	Recommendation
Personal Services	\$2,420,528	\$2,449,170	\$2,482,276	\$0	\$2,482,276
Regular Operating Expenses	411,943	414,639	322,341	0	322,341
Motor Vehicle Purchases	20,683				
Equipment	88,492	46,574	31,665	0	31,665
Computer Charges	266,205	258,997	388,475	0	388,475
Real Estate Rentals					
Telecommunications	122,527	119,017	123,246	0	123,246
Contractual Services	160,605	152,419	178,650	0	178,650
<b>Total Expenditures</b>	<b>\$3,490,983</b>	<b>\$3,440,816</b>	<b>\$3,526,653</b>	<b>\$0</b>	<b>\$3,526,653</b>
<b>Fund Type</b>					
State General Funds	\$3,249,093	\$3,303,400	\$3,401,565	\$0	\$3,401,565
Federal Funds	135,952	84,517	48,800	0	48,800
Other Funds	105,938	52,899	76,288	0	76,288
<b>Total Funds</b>	<b>\$3,490,983</b>	<b>\$3,440,816</b>	<b>\$3,526,653</b>	<b>\$0</b>	<b>\$3,526,653</b>
Positions*	29	30	33	0	33
Motor Vehicles	18	18	18	0	18

\* Position counts shown under expenditures reflect the number of salaried, benefit eligible employees as of June 30 of that fiscal year.

**Georgia Forestry Commission**

**ZBB Program: Commission Administration**

*Performance Measures*

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**Agency Purpose:**

The Georgia Forestry Commission provides leadership, service, and education in the protection and conservation of Georgia's forest resources through fire detection, burn permitting, wildfire suppression and prevention, emergency and incident command, rural fire department assistance, forest management assistance, marketing and utilization of forest resources, and tree seedlings and planting services to landowners.

**Program Purpose:**

The purpose of this program is to administer workforce needs, handle purchasing, accounts receivable and payable, meet information technology needs, and provide oversight that emphasizes customer values and process innovation.

**Performance Measures**

- 1. Number of audit findings
- 2. Total federal dollars received agency wide

Actuals			
FY 2011	FY 2012	FY 2013	FY 2014
0	0	0	N/A
\$11,423,937	\$9,216,489	\$9,278,954	\$6,657,171





# **FY 2016 Zero-Based Budget Analysis**

Office of the Governor  
ZBB Program: Georgia Professional Standards  
Commission

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## **ZBB Program: Georgia Professional Standards Commission**

### *FY 2016 Zero-Based Budget Report*

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#### **Purpose of Review**

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The Georgia Professional Standards Commission (GaPSC) sets and enforces rules for educator certification, educator ethics, and educator preparation programs. The work of the GaPSC supports the Governor's strategic education initiative of increasing teacher and leader effectiveness. The Commission implemented new board rules effective July 2014 that will increase performance standards for educator preparation programs and create a tiered-certification system for teachers in Georgia. The purpose of this review is to evaluate the workload and performance of the GaPSC as a result of these new rules.

#### **Results of Analysis**

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1. Statutory Alignment: Program activities are aligned with statutory responsibilities.
2. Staffing Levels: The program has 74 full-time benefit eligible positions, including three time-limited positions.
3. Fleet Management: There are no motor vehicles assigned to the program.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. However, data for certain measures was not available. The agency should track and record data to ensure accurate reporting of performance data in the future.
5. Budget Impact: Increase funds by \$454,066 to meet increased workload. See recommendations below.

#### Program Operations:

6. Effective July 1, 2014, the GaPSC adopted rule 505-2-.01, which establishes a tiered-certification system in Georgia that creates a new structure for teacher certification, expands certification to prospective teachers enrolled in educator preparation programs, and provides two pathways of distinction for excellent teachers in the state. The new certification system uses performance data to inform professional development throughout a teaching career to recognize classroom teachers as either Lead Professional or Advanced Professional. This system was designed to promote professional growth and retention at each stage of a teacher's career. The GaPSC also adopted rule 505-3-.01, effective July 3, 2014, which updates requirements and standards for the approval of educator preparation providers and education preparation programs that prepare individuals for certification as educators in Georgia. The new rule increases accountability by establishing Preparation Program Effectiveness Measures (PPEMs) and raising performance standards for a number of training practices.

## **ZBB Program: Georgia Professional Standards Commission**

### *FY 2016 Zero-Based Budget Report*

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7. The GaPSC has traditionally reviewed and approved educator preparation programs on a seven-year cycle. Each education program approval specialist is currently responsible for approximately 155 programs that require ongoing program review, approval, and support. Rule 505-3-.01 requires new categories of review if a program's annual performance data indicates that standards are not being met or if previous reviews indicate underlying issues so that the GaPSC can identify and address high-risk programs through ongoing monitoring and provide support. This will create additional workload for education specialists.

**Recommendation: Increase funds by \$208,925 for two education specialists for program approval.**

8. Each certification evaluator currently processes an average of approximately 2,500 certification applications each year. Rule 505-2-.01 will result in an increased workload for certification staff by approximately 6,600 certification cases each year for pre-service teachers and an unknown number of Advanced Professional and Lead Professional certification cases. Under OCGA 50-36-1, the GaPSC is required to ensure verification of lawful presence for all certification applications. The GaPSC began implementing the new requirements of this law in FY 2014. Implementing this law has drastically impacted the agency's caseload because they must verify lawful presence for both new and renewing teachers. The number of certification cases reported in FY 2014 increased by 126% over FY 2013.

**Recommendation: Increase funds by \$75,852 for one certification staff member.**

9. The GaPSC currently employs six investigators that process approximately 177 ethical complaints annually. Under board rule 505-2-.01, the agency also expanded its enforcement of ethical standards for educators to include students accepted into approved educator preparation programs. It is expected to impact the workload of the agency by approximately 6,600 criminal history checks each year and additional investigations associated with violations by students.

**Recommendation: Increase funds by \$69,289 for one investigator.**

10. The GaPSC maintains numerous IT systems and websites related to educator certification, ethics, and educator preparation. Beginning in FY 2016, the agency will no longer receive federal Race to the Top funds and will require additional funding to support the base level of contracted developers needed to maintain their applications and websites.

**Recommendation: Increase funds by \$100,000 for maintenance and support of IT systems and websites.**

## **ZBB Program: Georgia Professional Standards Commission**

### *FY 2016 Zero-Based Budget Report*

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11. Under OCGA 20-2-205, the GaPSC governed the Georgia's Master Teacher Program, which has been federally funded through the state's Race to the Top grant in recent years and expired June 30, 2014. Maintaining a recognition program for excellent teachers was a factor in designing GaPSC's tiered certification system and there are several key similarities between the Master Teacher program and the new Advanced Professional certificate. Both are teacher recognition programs, specify a number of years of teaching experience to qualify, include a performance component, and have five-year validity periods. Unlike the Georgia Master Teacher Program, Advanced Professional certification requires an advanced degree in a teaching field, certification in Curriculum and Instruction or Instructional Technology, or National Board Certification. The performance data that will be used to determine eligibility for an Advanced Professional certificate is currently being refined to ensure reliability and validity. The GaPSC expects to begin accepting applications for this certificate when the Teacher Keys Evaluation System (TKES) becomes fully operational.

**Recommendation: Propose legislation to eliminate the Georgia Master Teacher Program and utilize the Advanced Professional certificate to recognize excellent teachers in the state.**

12. The GaPSC certifies all teachers, education administrators, school support personnel and paraprofessionals. The \$20 application fee for certification collected by GaPSC was set in Georgia code (OCGA 20-2-200) in 1988 and has not changed since. All funds collected are remitted to state treasury; however, Georgia law does not require the majority of educators and administrators to pay this fee for their professional certification. Since 2010, annual collections have ranged from a high of approximately \$256,500 to a low of approximately \$193,000.

**Recommendation: Work with stakeholders to evaluate the potential benefits of expanding fee requirements for all certificate applicants.**

**Office of the Governor**

**ZBB Program: Georgia Professional Standards Commission**

*Key Activities and Alternative Approach*

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions*	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Educator Certification</b>	The GaPSC is responsible for establishing rules and regulations for P-12 (pre-kindergarten to grade 12) educator certification and evaluating individual certification applications through the issuance and renewal of educator credentials for all teachers, leaders, and support staff employed by Georgia's P-12 schools.	OCGA 20-2-200-206; 20-2-211-212.2; 20-2-215; 20-2-982-984; 20-2-984.5-989; 50-36-1	41	\$2,669,325	\$2,828,808	\$136,853	\$2,806,178
<b>Educator Ethics</b>	Agency staff and Commission members are responsible for establishing and enforcing a code of ethics for GaPSC-credentialed P-12 educators, conducting investigations of alleged misconduct, and sanctioning violators.	OCGA 20-2-200; 20-2-204; 20-2-207; 20-2-211.1; 20-2-982-989	18	1,777,828	2,030,775	77,289	1,855,117
<b>Educator Preparation</b>	Program approval specialists work with Commission members to establish standards for the approval of programs leading to Georgia educator certification, review and approve programs, and regularly monitor program quality to ensure program completers are prepared to meet the needs of all learners in P-12 classrooms in Georgia.	OCGA 20-2-201; 20-2-206; 20-2-212.5; 20-2-982-984; 20-2-985.5-989	15	1,827,187	1,827,187	239,925	2,067,112
<b>Total</b>			74	\$6,274,340	\$6,686,770	\$454,066	\$6,728,406

**Alternative** (Alternative approach to delivering program services as provided by the agency)

No alternative approaches to program service delivery are recommended at this time.

\*Position count includes three federally funded time-limited positions.

**Office of the Governor**

**ZBB Program: Georgia Professional Standards Commission**

*Financial Summary*

<b>Objects of Expenditure</b>	<b>Expenditures</b>		<b>FY 2015</b>	<b>Zero Based Budget Review</b>	
	<b>FY 2013</b>	<b>FY 2014</b>	<b>Current Budget</b>	<b>Changes</b>	<b>Recommendation</b>
Personal Services	\$6,525,014	\$7,009,265	\$5,215,067	\$349,066	\$5,564,133
Regular Operating Expenses	488,743	493,849	355,424	5,000	360,424
Motor Vehicle Purchases					
Equipment	61,361	91,541			
Computer Charges	172,676	147,584	201,210	0	201,210
Real Estate Rentals	299,078	299,142	299,142	0	299,142
Telecommunications	124,279	117,127	116,465	0	116,465
Contractual Services	1,527,054	1,700,042	499,462	100,000	599,462
Grants and Benefits	177,000	227,105			
<b>Total Expenditures</b>	<b>\$9,375,206</b>	<b>\$10,085,654</b>	<b>\$6,686,770</b>	<b>\$454,066</b>	<b>\$7,140,836</b>
<b>Fund Type</b>					
State General Funds	\$5,754,125	\$6,117,340	\$6,274,340	\$454,066	\$6,728,406
Federal Funds <sup>1</sup>	1,977,218	2,172,847	411,930	0	411,930
Federal Recovery Funds <sup>1</sup>	1,640,877	1,790,728	0	0	0
Other Funds	2,986	4,739	500	0	500
<b>Total Funds</b>	<b>\$9,375,206</b>	<b>\$10,085,654</b>	<b>\$6,686,770</b>	<b>\$454,066</b>	<b>\$7,140,836</b>
Positions <sup>2</sup>	73	76	71	4	75
Motor Vehicles					

<sup>1</sup> Federal Funds budgeted for FY 2015 reflect amount shown in the base budget and do not represent all available federal funds.

<sup>2</sup> Position counts shown under expenditures reflect the number of salaried, benefit eligible employees as of June 30 of that fiscal year. Position count shown under FY 2015 current budget does not include the three time-limited positions.

## Office of the Governor

# ZBB Program: Georgia Professional Standards Commission

## Performance Measures

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### Agency Purpose:

The Georgia Professional Standards Commission is responsible for overseeing the development and enforcement of standards for educator certification, educator ethics, and educator preparation.

### Program Purpose:

The purpose of this program is to direct the preparation of, certify, recognize, and recruit Georgia educators, and to enforce standards regarding educator professional preparation, performance, and ethics.

### Performance Measures

	Actuals			
	FY 2011	FY 2012	FY 2013	FY 2014
1. Number of approved educator preparation programs	778	852	910	929
2. Average processing time in days for certification cases submitted with all necessary documentation	6	9	7	10
3. Number of certification cases completed*	39,916	40,572	38,877	87,758
4. Total number of individuals with an active GaPSC credential	283,107	286,932	284,388	287,607
5. New ethics complaints received	1,287	1,354	1,234	1,064
6. Percentage of ethics cases extended by the Commission past the 60 calendar-day timeframe established in Georgia code	22%	34%	38%	N/A
7. Percentage of ethics cases cleared by the Commission voting "no probable cause" after an investigation	8%	11%	22%	22%
8. Number of P-16 educators and administrators reached through outreach events and training opportunities	N/A	N/A	N/A	N/A
9. Percentage of educator preparation program completers who qualify for certification	86%	87%	84%	N/A

\*Following changes to OCGA 50-36-1, the reported number of certification cases completed in FY 2014 includes renewal certificates not previously included in the count for certification cases.



# **FY 2016 Zero-Based Budget Analysis**

Office of the Governor  
ZBB Program: Governor's Emergency Fund

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## **ZBB Program: Governor's Emergency Fund**

### *FY 2016 Zero-Based Budget Report*

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#### **Purpose of Review**

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The Governor's Emergency Fund provides funds to draw on when disasters create extraordinary demands on government. From Fiscal Years 2011 - 2014, the Governor's Emergency Fund (GEF) appropriation had less than 10% remaining at fiscal year end. The purpose of this review is to ensure the Governor's Emergency Fund has adequate funding to address unforeseen emergencies.

#### **Results of Analysis**

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1. Statutory Alignment: Program activities are aligned with statutory requirements.
2. Staffing Levels: There are no positions funded in this program.
3. Fleet Management: There are no motor vehicles assigned to the program.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. The updated measures accurately reflect the effectiveness of the GEF.
5. Budget Impact: Maintain the current funding level.

##### Program Operations:

6. The base funding for the Governor's Emergency Fund is adequate to cover the state's share of costs for natural or man-made disasters as the federal government usually covers a majority share of the costs for these situations when a federal disaster is declared.

##### **Recommendation: Maintain the current base level of funding for FY 2016.**

7. Emergency funds are used for contingency planning for state agencies with anticipated but unknown funding needs during the fiscal year. The funds are reserved in the GEF to provide more accountability and prevent funds from being utilized for non-emergency spending.
8. Emergency funds can only be released by Executive Order of the Governor. OPB receives and reviews an agency request for emergency funds and makes a recommendation to the Governor for the utilization of funds. There are no procedures in place for submitting requests for emergency funds to OPB for review and recommendation to the Governor.

##### **Recommendation: Establish procedures for agencies to submit funding requests to OPB for review and recommendation to the Governor for approval.**

9. The annual Budgetary Compliance Report includes an explanation of all funds transferred from the Governor's Emergency Fund during the fiscal year.

**Office of the Governor**

**ZBB Program: Governor's Emergency Fund**

*Key Activities and Alternative Approach*

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Emergency Fund Allocation</b>	An appropriation whose funds can be released for necessary and unforeseen costs that are temporary in nature and: 1) assists agencies with responding to emergencies such as natural disasters; 2) covers costs for difficult to estimate expenditures; 3) covers costs related to legal judgments against the state; 4) covers costs for unanticipated litigation.	OCGA 45-12-77		\$11,062,041	\$11,062,041	\$0	\$11,062,041
<i>Total</i>			0	\$11,062,041	\$11,062,041	\$0	\$11,062,041

**Alternative (Alternative approach to delivering program services as provided by the agency)**

No alternative approaches to program service delivery are recommended at this time.

**Office of the Governor**

**ZBB Program: Governor's Emergency Fund**

*Financial Summary*

Objects of Expenditure	Expenditures		FY 2015	Zero Based Budget Review	
	FY 2013	FY 2014	Current Budget	Changes	Recommendation
Governor's Emergency Fund			\$11,062,041	\$0	\$11,062,041
Criterion Referenced Competency Tests	\$54,161	\$2,709			
Tobacco Settlement	339,576				
Legal Judgment	100,000				
Unemployment Insurance Loan Interest	16,763,825	10,206,196			
Natural Disasters	10,000	7,092,000			
Conflict Cases	1,980,000	4,000,000			
Vocational Rehabilitation Agency Transfer	985,839				
<b>Total Expenditures</b>	\$20,233,401	\$21,300,905	\$11,062,041	\$0	\$11,062,041
<b>Fund Type</b>					
State General Funds	\$20,233,401	\$21,300,905	\$11,062,041	\$0	\$11,062,041
<b>Total Funds</b>	\$20,233,401	\$21,300,905	\$11,062,041	\$0	\$11,062,041
Positions					
Motor Vehicles					

## Office of the Governor

### ZBB Program: Governor's Emergency Fund

#### Performance Measures

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**Agency Purpose:**

The Office of the Governor oversees the executive branch and ensures that the laws are faithfully executed. Furthermore, the Office is responsible for policy development, legal counsel, legislative relations, communications, appointments, intergovernmental relations, and emergency management.

**Program Purpose:**

The purpose of this appropriation is to provide emergency funds to draw on when disasters create extraordinary demands on government.

**Performance Measures**

1. Amount of dollars appropriated for Governor's Emergency Fund (GEF)
2. Percentage of state general funds appropriated for GEF
3. Percentage of GEF used for disaster relief
4. Percentage of GEF used for contingencies designated to a specific agency\*
5. Percentage of GEF used for unforeseen agency or departmental expenditures
6. Number of funding requests approved for GEF
7. Amount of GEF appropriation remaining at fiscal year end

Actuals			
FY 2011	FY 2012	FY 2013	FY 2014
\$3,469,576	\$24,561,096	\$20,233,401	\$21,301,567
0.02%	0.15%	0.12%	0.12%
74.35%	16.06%	0.05%	33.29%
N/A	62.92%	82.85%	47.91%
25.65%	11.03%	17.10%	18.79%
5	10	11	5
\$0	\$2,453,512	\$0	\$662

\* Funds allocated in the appropriations bill for an agency



# **FY 2016 Zero-Based Budget Analysis**

Office of the Governor  
ZBB Program: Office of the State Inspector General

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## **ZBB Program: Office of the State Inspector General**

### *FY 2016 Zero-Based Budget Report*

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#### **Purpose of Review**

The Office of the State Inspector General examines, investigates, and makes recommendations with respect to the prevention and detection of fraud, waste, abuse, and corruption in the executive branch of the state government. This purpose of this review is to evaluate the cost effectiveness of the program's activities, ensure that performance measures track program goals, and evaluate the program's adherence to the program purpose.

#### **Results of Analysis**

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1. Statutory Alignment: The Office of the State Inspector General (OIG) is not codified. Program activities are aligned with Executive Order 1-13-03.
2. Staffing Levels: The program has five full-time benefit eligible employees.
3. Fleet Management: There are no motor vehicles assigned to the program.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. The agency should continue to develop relevant and measurable outcomes for its key activities.
5. Budget Impact: Maintain the current funding level.

##### Program Operations:

6. A key activity and requirement of OIG's guiding authority (EO 1-13-03) is for investigators to consult with state agencies and advise them in developing, implementing, and enforcing policies and procedures that will prevent or reduce fraud, waste, abuse, and corruption. Approximately 1% of total funds allocated to the OIG is currently used for external training for state agencies.

**Recommendation: Develop a plan to increase statewide consultation and training on procedures to prevent or reduce fraud, waste, abuse, and corruption by state officials and employees, and work with Georgia Public Broadcasting to develop a video presentation for all agencies to utilize as part of their new employee on-boarding program.**

7. OIG has primarily been a reactive agency by investigating complaints received from tips and referrals.

**Recommendation: Develop a fraud risk assessment plan that is frequently reviewed to detect anomalies.**

8. OIG uses an Access database with limited capabilities to manage investigations and allegations. As a result, the agency is unable to adequately track progress status of cases and performance.

## **ZBB Program: Office of the State Inspector General**

### *FY 2016 Zero-Based Budget Report*

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**Recommendation: Utilize identified resources to purchase case management software that increases the investigators' ability to more efficiently and effectively maintain, manage, and close investigations and allegations.**

9. Upon completion of an investigation, OIG meets with agency officials to provide a report of results and recommendations. No additional follow-up is performed to evaluate the impact of the recommendations.

**Recommendation: Develop a policy to conduct follow-up reviews to determine the changes made by agencies based on recommendations provided by the OIG.**

10. O.C.G.A. 36-82-100 - (Local Government) Expenditure of Bond Proceeds, gives the OIG authority to review any claim of fraud, waste, abuse, or mismanagement of local bond proceeds in the amount of \$5 million or more. In addition, Executive Order 06-28-13-03 designates the OIG as the state agency responsible for receiving complaints made by students enrolled in private postsecondary institutions within the State of Georgia. The aforementioned provisions are not listed or referenced in Executive Order 1-13-03.

**Recommendation: Work with OPB to determine a more appropriate agency in which to transfer OIG responsibilities to better align with the activities currently performed by the other agencies.**

11. OIG is not the central reporting agency for all matters of fraud, waste, and abuse within the State of Georgia. Several state agencies including the Department of Human Services, Department of Community Health, and the Department of Public Health each have internal investigative divisions established to examine, investigate, and report fraud, waste, and abuse. Without a centralized reporting system or procedure, the depiction of fraud within Georgia's state agencies could be distorted if solely based on figures presented by the OIG.

**Recommendation: Evaluate the feasibility of a centralized reporting portal to track the number of complaints and investigations involving fraud, waste, and abuse within the State of Georgia.**

**Office of the Governor**

**ZBB Program: Office of the State Inspector General**

*Key Activities and Alternative Approach*

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Investigations</b>	Investigate the management and operation of state agencies within the executive branch to determine if acts or omissions of fraud, waste, abuse, or corruption have been or are being committed by state officers or state employees within state government.	Executive Order 1-13-03	4.0	\$522,210	\$522,210	\$0	\$522,210
<b>Training</b>	Consult with state agencies and advise them in developing, implementing, and enforcing policies and procedures that will prevent or reduce fraud, waste, abuse, and corruption by state officers and employees.	Executive Order 1-13-03	0.1	6,528	6,528	0	6,528
<b>Administration</b>	Perform day-to day operations including employee timekeeping, agency budget development and amendments, billing / invoicing, procurement, IT maintenance, etc.		0.9	124,024	124,024	0	124,024
<i>Total</i>			5.0	\$652,762	\$652,762	\$0	\$652,762

**Alternative** (Alternative approach to delivering program services as provided by agency)

Deliver fraud awareness training online and work with state agencies to deliver training as part of their new employee on-boarding program.



**Office of the Governor**

**ZBB Program: Office of the State Inspector General**

*Financial Summary*

	Expenditures		FY 2015	Zero Based Budget Review	
Objects of Expenditure	FY 2013	FY 2014	Current Budget	Changes	Recommendation
Personal Services	\$475,098	\$441,349	\$582,917	\$0	\$582,917
Regular Operating Expenses	17,919	26,929	18,793	0	18,793
Motor Vehicle Purchases					
Equipment					
Computer Charges	575	37,530	600	0	600
Real Estate Rentals	28,746	28,746	28,835	0	28,835
Telecommunications	15,424	13,158	15,902	0	15,902
Contractual Services	2,498	18,182	5,715	0	5,715
<b>Total Expenditures</b>	<b>\$540,260</b>	<b>\$565,894</b>	<b>\$652,762</b>	<b>\$0</b>	<b>\$652,762</b>
<b>Fund Type</b>					
State General Funds	\$540,259	\$565,893	\$652,762	\$0	\$652,762
<b>Total Funds</b>	<b>\$540,259</b>	<b>\$565,893</b>	<b>\$652,762</b>	<b>\$0</b>	<b>\$652,762</b>
Positions*	4	5	5	0	5
Motor Vehicles					

\* Position counts shown under expenditures reflect the number of salaried, benefit eligible employees as of June 30 of that fiscal year.

## Office of the Governor

### ZBB Program: Office of the State Inspector General

#### Performance Measures

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**Agency Purpose:**

The Office of the State Inspector General examines, investigates, and makes recommendations with respect to the prevention and detection of fraud, waste, abuse, and corruption in the executive branch of state government.

**Program Purpose:**

The purpose of this appropriation is to foster and promote accountability and integrity in state government by investigating and preventing fraud, waste, and abuse.

**Performance Measures**

1. Number of complaints received
2. Number of no probable cause complaints
3. Number of probable cause complaints resulting in an investigation
4. Average time to resolve a complaint (in hours)
5. Number of cases open / active at year-end
6. Number of cases closed
7. Percentage of recommendations accepted by state agencies
8. Number of outreach and trainings conducted
9. Number of cases concluded with action
10. Value of fraud referred for prosecution

Actuals			
FY 2011	FY 2012	FY 2013	FY 2014
190	202	134	127
138	124	114	104
52	78	20	23
N/A	N/A	N/A	N/A
16	17	7	9
179	200	146	119
100%	100%	100%	100%
N/A	4	5	5
5	7	8	2
N/A	\$4,638,950	\$828,373	\$6,246,393



# **FY 2016 Zero-Based Budget Analysis**

Department of Human Services

ZBB Program: Child Care Licensing

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## ***Department of Human Services***

# **ZBB Program: Child Care Licensing**

### ***FY 2016 Zero-Based Budget Report***

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#### **Purpose of Review**

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Child Care Licensing is responsible for issuing licenses and monitoring Child Placement Agencies, Child Care Institutions, Child Transitional Care Centers, Maternity Homes, Outdoor Child Care Programs, and Runaway Homeless Youth Programs. The purpose of this review is to analyze the efficiency and effectiveness of activities in the Child Care Licensing program.

#### **Results of Analysis**

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1. Statutory Alignment: Program activities are aligned with statutory responsibilities.
2. Staffing Levels: There are 27 authorized positions and 26 full-time benefit eligible employees.
3. Fleet Management: There are no motor vehicles assigned to the program.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. The updated measures accurately reflect the performance of the program.
5. Budget Impact: Maintain the current funding level.

#### Program Operations:

6. The program name is misleading, giving the impression that the program licenses all child care businesses. Child Care Licensing is only responsible for licensing residential child care facilities.

**Recommendation: Change the name of the program to Residential Child Care Licensing.**

7. Child Care Licensing does not currently charge application or renewal fees.

**Recommendation: Conduct an internal review to evaluate other states' residential child care licensing program applications and renewal fee policies, possible impact of instituting application and renewal fees on the Georgia Department of Human Services' Out of Home Care program, and any changes in Georgia legislation that would be required to implement application and renewal fees.**

8. Child Care Licensing performs annual inspections and follow-up visits to Child Care Institutions (CCI) and Child Care Placement Agencies (CPA). The Department of Human Services' Child Welfare Services program also conducts annual visits, inspecting facilities using similar guidelines as Child Care Licensing program.

**Recommendation: Work with Child Welfare Services program to coordinate inspections and/or follow-up visits to CCIs and CPAs.**

*Department of Human Services*

**ZBB Program: Child Care Licensing**

*FY 2016 Zero-Based Budget Report*

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9. Child Care Licensing has one employee trained to extract data from Georgia-TRAILS. The employee is on a leave of absence.

**Recommendation: Cross train multiple staff to be able to extract data from Georgia-TRAILS.**

10. Real Estate Rentals object class is not aligned with expenditures.

**Recommendation: Align budget with expenditures.**

**Department of Human Services**

**ZBB Program: Child Care Licensing**

*Key Activities and Alternative Approach*

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Licensing Administration</b>	Process residential child care licenses for Child Caring Institutions (CCI), Child Placing Agencies (CPA), Outdoor Child Caring Programs (OCCP), Maternity Homes (MH), and Children's Transitional Care Centers (CTCC). Process the initial and renewal registrations of Runaway Homeless Youth Programs (RHYP) Develop and revise new rule sets and process refutations, waivers, and exemptions.	OCGA 49-5-8; 49-5-12; 50-13-9.1; 49-5-160 et seq; 49-5-12; 49-5-8; 50-13-9.1	4	\$320,497	\$445,373	\$0	\$320,497
<b>Inspect, monitor, enforce actions, and follow up</b>	Regularly inspect licensed facilities and perform follow up inspections. Monitor foster homes and perform surprise inspections in compliance with the Kenny A mandate. Enforce any actions taken against residential child care facility.	OCGA 49-5-8; 49-5-12	22	1,268,853	1,763,240	0	1,268,853
<i>Total</i>			26	\$1,589,350	\$2,208,613	\$0	\$1,589,350

**Alternative** (Alternative approach to delivering program services as provided by the agency)

No alternative approaches to program service delivery are recommended at this time.

**Department of Human Services**

**ZBB Program: Child Care Licensing**

*Financial Summary*

<b>Objects of Expenditure</b>	<b>Expenditures</b>		<b>FY 2015</b>	<b>Zero Based Budget Review</b>	
	<b>FY 2013</b>	<b>FY 2014</b>	<b>Current Budget</b>	<b>Changes</b>	<b>Recommendation</b>
Personal Services	\$1,886,297	\$1,874,966	\$2,001,919	\$0	\$2,001,919
Regular Operating Expenses	64,773	69,018	72,047	0	72,047
Motor Vehicle Purchases					
Equipment					
Computer Charges	6,244	5,731	6,557	0	6,557
Real Estate Rentals	0	125	7,200	0	7,200
Telecommunications	105,964	124,494	118,600	0	118,600
Contractual Services	1,302	1,114	1,440	0	1,440
Other	644	120	850	0	850
<b>Total Expenditures</b>	<b>\$2,065,224</b>	<b>\$2,075,568</b>	<b>\$2,208,613</b>	<b>\$0</b>	<b>\$2,208,613</b>
<b>Fund Type</b>					
State General Funds	\$1,529,098	\$1,542,176	\$1,589,350	\$0	\$1,589,350
Federal Funds	536,126	533,392	619,263	0	619,263
<b>Total Funds</b>	<b>\$2,065,224</b>	<b>\$2,075,568</b>	<b>\$2,208,613</b>	<b>\$0</b>	<b>\$2,208,613</b>
Positions*	26	26	27	0	27
Motor Vehicles	0	0	0	0	0

\* Position counts shown under expenditures reflect the number of salaried, benefit eligible employees as of June 30 of that fiscal year.

## Department of Human Services

### ZBB Program: Child Care Licensing

#### Performance Measures

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**Agency Purpose:**

The Department of Human Services is responsible for the delivery of social services. The Department serves all Georgia citizens through regulatory inspection, direct service, and financial assistance programs

**Program Purpose:**

The purpose of this program is to protect the health and safety of children who receive full-time care outside of their homes by licensing, monitoring, and inspecting residential care providers.

**Performance Measures**

	Actuals			
	FY 2011	FY 2012	FY 2013	FY 2014
1. Number of new license and renewal applications processed	325	318	279	309
2. Number of complaints and incident reports received	N/A	N/A	N/A	5,940
3. Percentage of licensed facilities, agencies and institutions who received a follow-up visit within the required time frame following issuance of an Enforcement Action	94.0%	93.0%	82.0%	N/A
4. Percentage of inspections closed within 30 days	89.7%	80.8%	58.9%	N/A
5. Percent of received complaints and incident reports that result in investigations	30.0%	24.0%	28.0%	33.3%
6. Average number of days for investigations	N/A	N/A	N/A	N/A





# **FY 2016 Zero-Based Budget Analysis**

Department of Human Services

ZBB Program: Child Welfare Services

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## ***Department of Human Services***

# **ZBB Program: Child Welfare Services**

## ***FY 2016 Zero-Based Budget Report***

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### **Purpose of Review**

Child Welfare Services investigates allegations of child abuse, abandonment, and neglect, and provides services to protect children and strengthen families. The Governor has appointed the Child Welfare Reform Council to assess and make recommendations regarding child welfare policy in Georgia. The purpose of this review is to analyze the efficiency and effectiveness of activities in the Child Welfare Services program.

### **Results of Analysis**

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1. Statutory Alignment: Program activities are aligned with statutory responsibilities.
2. Staffing Levels: There are 169 authorized positions and 2,401 full-time benefit eligible employees. Positions funded through grants and benefits for the Child Welfare Services program are not included in the authorized position count.
3. Fleet Management: There are no motor vehicles assigned to the program.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. The updated measures accurately reflect the performance of the program.
5. Budget Impact: Increase funds for additional Child Protective Services workers. See recommendation below.

#### **Program Operations:**

6. Child Protective Services caseworker's caseloads are fluid across counties due to fluctuations in the number of intake calls received and number of children in care throughout the year. Current caseload numbers are higher than the ideal caseload ratio of 15 to 1. Areas most affected in Georgia are metro Atlanta and southeast Georgia.

**Recommendation: The Governor has committed to bring Child Protective Service worker's caseload down to 15 to 1 by FY 2017. Work with the Governor's Office of Planning and Budget to increase staff as needed to reach 15 to 1 caseload ratio by FY 2017 (Total Funds: \$15,612,887).**

7. The average turnover rate across county offices in FY 2014 was 26.8%. Some counties, especially in the metro Atlanta and north Georgia areas, experienced up to 36% turnover. High turnover rates result in higher than average case loads, increased training costs, and unstable work environments.

**Recommendation: Perform an internal review examining underlying issues affecting turnover rates in county offices.**

***Department of Human Services***

**ZBB Program: Child Welfare Services**

***FY 2016 Zero-Based Budget Report***

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8. Child Welfare Services performs annual inspections and follow-up visits to Child Care Institutions (CCI) and Child Care Placement Agencies (CPA). The Department of Human Services' Child Care Licensing program also conducts annual visits, inspecting facilities using similar guidelines as Child Welfare Services.

**Recommendation: Work with the Child Welfare Services program to coordinate inspections and/or follow-up visits to CCIs and CPAs.**

9. The Department of Human Services has prior year Temporary Assistance for Needy Families (TANF) funds not budgeted (\$64,359,116).

**Recommendation: Maximize prior year TANF funds quarterly to bring prior year unobligated TANF funds to the most current fiscal year.**

**Department of Human Services**

**ZBB Program: Child Welfare Services**

*Key Activities and Alternative Approach*

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Intake</b>	Receive and evaluate reports of alleged child abuse/neglect 24/7. Each report is assessed to determine if the information alleged by the reporter regarding the child's situation meets the statutory and policy definition of child/abuse and neglect and whether the child is safe/unsafe. Each report is evaluated and a decision is reached whether the report should be screened in or screened out. For reports screened in, a response time is established based on child safety concerns	OCCA 15-11-390; 19-7-5; 19-10A-1 through 19-10A-7; The Adam Walsh Act; CAPTA Reauthorization P.L. 111-320; McKinney Vento Assistance Act of 2002.	95	\$1,475,178	\$7,375,889	\$0	\$1,475,178
<b>Assessment (Investigation, Family Support, Family Preservation)</b>	An investigator is assigned to make face-to-face contact with the family to address allegations of child maltreatment. During this phase, the worker completes an assessment of present danger and any impending danger. The results of the assessment determine if DFCS needs to take further action to ensure the child is safe through in-home or out-of-home safety plan. Family Preservation Services are offered to families when court intervention is not needed.	OCCA 19-7-5; 49-5-1 & 49-5-2; 49-5-8; CAPTA Reauthorization P.L. 111-320; A.S.F.A of 1997 – P.L. 105-89; and Title IV-E of the S.S.A. section 471(a)(9)	1,011	42,964,544	102,001,701	0	42,964,544

## Department of Human Services

### ZBB Program: Child Welfare Services

#### Key Activities and Alternative Approach

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Foster Care (Permanency, Resource Development, Independent Living Services)</b>	When children are determined to be unsafe during the course of a CPS investigation and an in-home-safety plan is found to be ineffective in ensuring child safety an out-of-home safety plan must be developed. If no other option is available, a child is placed in foster care. The Permanency Section is tasked with providing positive permanency outcomes for children in care. This is accomplished by assessing the child and family to identify what resources are needed. DFCS staff collaborate with families to develop case planning which outline what must be accomplished to ensure child safety and expedite reunification. If children cannot be returned to their caregiver, the agency must develop an alternative permanency plan for the child which may include willing relative, adoption or guardianship. The Resource Development section is responsible for recruiting, developing and approving DFCS foster homes. The Independent Living Program offers services to children designed to develop and sustain life skills and self-sufficiency as they approach adulthood.	OCGA 15-11-135; 15-11-231 & 232; Title IV-E of the S.S.A. sections 471(a)(29) and (31); 475(7) and (8); P.L. 96-272; A.S.F.A. of 1997 – P.L. 105-89; F.C.A. – P.L. 110-351	1,114	47,522,112	108,948,096	12,490,310	60,012,422
<b>Administration</b>	These staff provide practical guidance to the field workers and work in conjunction with other staff to develop, monitor, and report out on federal plans.	OCGA 49-5-8	181	21,652,267	51,404,434	0	21,652,267
<i>Total</i>			2,401	\$113,614,101	\$269,730,120	\$12,490,310	\$126,104,411

#### Alternative (Alternative approach to delivering program services as provided by the agency)

Some program activities could be privatized. Preliminary estimates suggest that this would increase overall program cost.

**Department of Human Services**

**ZBB Program: Child Welfare Services**

*Financial Summary*

<b>Objects of Expenditure</b>	<b>Expenditures</b>		<b>FY 2015</b>	<b>Zero Based Budget Review</b>	
	<b>FY 2013</b>	<b>FY 2014</b>	<b>Current Budget</b>	<b>Changes</b>	<b>Recommendation</b>
Personal Services	\$11,652,845	\$12,818,306	\$15,695,266	\$0	\$15,695,266
Regular Operating Expenses	1,321,784	1,648,240	1,617,450	0	1,617,450
Motor Vehicle Purchases					
Equipment					
Computer Charges	227,322	560,522	60,167	0	60,167
Real Estate Rentals	92,918	347,431	11,216	0	11,216
Telecommunications	86,973	126,138	72,483	0	72,483
Contractual Services	27,547,677	32,426,493	28,162,274	0	28,162,274
Grants and Benefits	203,681,559	201,344,155	224,814,238	15,612,887	240,427,125
Other	(684,581)	(522,716)	(702,974)	0	(702,974)
<b>Total Expenditures</b>	<b>\$243,926,497</b>	<b>\$248,748,569</b>	<b>\$269,730,120</b>	<b>\$15,612,887</b>	<b>\$285,343,007</b>
<b>Fund Type</b>					
State General Funds	\$92,649,994	\$97,481,251	\$113,614,101	\$12,490,310	\$126,104,411
Federal Funds	141,471,969	142,513,239	142,253,529	3,122,577	145,376,106
Other Funds	9,804,534	8,754,079	13,862,490	0	13,862,490
<b>Total Funds</b>	<b>\$243,926,497</b>	<b>\$248,748,569</b>	<b>\$269,730,120</b>	<b>\$15,612,887</b>	<b>\$285,343,007</b>
Positions*	2,047	2,056	2,401	381	2,782
Motor Vehicles	0	0	0	0	0

\* Position counts shown under expenditures reflect the number of salaried, benefit eligible employees as of June 30 of that fiscal year.

## Department of Human Services

### ZBB Program: Child Welfare Services

#### Performance Measures

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##### Agency Purpose:

The Department of Human Services is responsible for the delivery of social services. The Department serves all Georgia citizens through regulatory inspection, direct service and financial assistance programs

##### Program Purpose:

The purpose of this program is to investigate allegations of child abuse, abandonment, and neglect, and to provide services to protect the child and strengthen the family.

##### Performance Measures

	Actuals			
	FY 2011	FY 2012	FY 2013	FY 2014
1. Number of calls received by CPS Intake Communication Center	63,547	67,859	73,042	87,373
2. Number of calls screened out	11,590	16,705	19,131	22,368
3. Number of investigations conducted	21,148	26,746	27,175	31,559
4. Number of substantiated maltreatment incidents	21,686	22,471	23,432	25,531
5. Percentage of children seen within 24 hours of the receipt of the report of alleged maltreatment	54.8%	57.0%	53.0%	51.1%
6. Number of Family Preservation cases	30,809	24,408	26,196	29,075
7. Number of Family Support cases	9,585	8,561	7,450	7,044
8. Percentage of children who return home within 12 months of being removed	75.2%	75.6%	72.5%	75.4%
9. Percentage of children who were victims of subsequent maltreatment within 6 months	3.2%	3.3%	4.2%	N/A
10. Percentage of foster children who re-enter foster care within 12 months	6.4%	7.1%	7.4%	7.8%
11. Child Protective Service worker's average caseload	14.4	17.0	19.4	21.9
12. Child Protective Service workers turn over rate	20.4%	21.4%	24.0%	26.8%



# **FY 2016 Zero-Based Budget Analysis**

Department of Human Services

ZBB Program: Elder Abuse Investigations  
and Prevention

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## ***Department of Human Services***

# **Elder Abuse Investigations and Prevention**

### ***FY 2016 Zero-Based Budget Report***

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#### **Purpose of Review**

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The Elder Abuse Investigations and Prevention program investigates cases of abuse, neglect, and exploitation of adults over 65 who are not living in long term care facilities and adults 18 and over with disabilities. Along with rectifying these situations, the program works to prevent them from ever occurring. The purpose of this review is to determine how the program can better serve at-risk elderly adults.

#### **Results of Analysis**

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1. Statutory Alignment: Program activities are aligned with statutory responsibilities.
2. Staffing Levels: The program has 269 authorized positions and 247 full-time benefit eligible employees.
3. Fleet Management: There are no motor vehicles assigned to the program.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. The updated measures accurately reflect the performance of the program.
5. Budget Impact: Increase budget by \$693,333. See recommendation below.

#### Program Operations:

6. Adult Protective Services (APS) investigators' caseloads have increased on average from 13 to 19 from FY 2011 to FY 2014. The average guardianship case manager's caseload has varied from the last few years and is currently at 29. With the elderly population continuing to increase, these caseloads are expected to remain at these levels or possibly increase, particularly for investigators.

**Recommendation: The Governor has committed 11 additional case workers each year through FY 2017. Continue to work with OPB to monitor caseload for adult protective services investigators and guardianship case managers. It is anticipated that these additions will lead to a slowing of growth in investigators' caseloads and a reduction in the caseloads of guardianship case managers.**

7. This program provides training and assistance with recognizing and arresting perpetrators of elder abuse. It also has an At-Risk Adult Crime Tactics (ACT) certification program for primary and secondary responders. In FY 2014, only 288 individuals received ACT

**Recommendation: Explore the possibility of putting ACT training online by either live streaming the classes or making them available for people to work on at their own pace. This could lead to more certifications as well as a better use of product material.**

## Department of Human Services

# Elder Abuse Investigations and Prevention

### Key Activities and Alternative Approach

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Receive/Investigate Reports of Alleged Abuse</b>	Centralized intake of web, fax, telephone reports of abuse and contact and investigation of allegations of abuse of vulnerable adults. This includes the emergency relocation of abused adults.	OCGA 30-5-1 et seq	203	\$12,075,749	\$14,660,765	\$436,800	\$12,512,549
<b>Public Guardianship Services</b>	Provides case management for Persons Under Guardianship where DHS is the Guardian of last resort.	OCGA 29-4-3(b.1)	35	1,817,249	1,951,349	256,533	2,073,782
<b>Legal Case Representation, Document Preparation</b>	Representation of clients 60+ regarding civil matters and preparation of documentation such as advanced directives. Holds legal education sessions on various topics.	42 U.S.C.3058j	1	102,421	357,506	0	102,421
<b>Long-Term Care Ombudsman</b>	Serve as advocate for nursing facility residents and responds to their complaints regarding living conditions, food, treatment etc.	42 U.S.C. 3058g, O.C.G.A. 31-8-50 et seq.	5	1,272,783	1,751,626	0	1,272,783
<b>Training and technical assistance to Law Enforcement/Mandated Reporters</b>	At-Risk Adult Crime Tactics (ACT) certification training and assistance with recognizing and arresting perpetrators regarding OCGA 16-5-101&102	42 U.S.C. 3058i Elder Abuse Prevention, 42 U.S.C. 3032b(b)	3	231,544	351,933	0	231,544
<b>Total</b>			<b>247</b>	<b>\$15,499,746</b>	<b>\$19,073,179</b>	<b>\$693,333</b>	<b>\$16,193,079</b>

#### Alternative (Alternative approach to delivering program services as provided by the agency)

**1)** Currently, Long Term Care Ombudsman Services are contracted through Area Agencies on Aging. Directly contracting with provider agencies could enhance quality control, and monitoring statewide. Administrative effort at the state level would increase while overall costs would remain almost unchanged. **2)** Develop contracted services to replace ongoing APS caseload and free staff to pursue new investigations. Cost of the contracted services would increase the overall program cost. **3)** Utilize a statewide contract, if sufficient interest is evident from providers, to deliver Elderly Legal Assistance statewide. Cost should remain unchanged.

**Department of Human Services**

**Elder Abuse Investigations and Prevention**

*Financial Summary*

	Expenditures		FY 2015	Zero Based Budget Review	
Objects of Expenditure	FY 2013	FY 2014	Current Budget	Changes	Recommendation
Personal Services	\$13,916,370	\$13,771,025	\$14,162,103	\$693,333	\$14,855,436
Regular Operating Expenses	1,099,514	1,184,610	1,025,923	0	1,025,923
Motor Vehicle Purchases					
Equipment					
Computer Charges	47,643	54,089	31,625	0	31,625
Real Estate Rentals	340,639	334,649	965,400	0	965,400
Telecommunications	573,728	663,931	479,246	0	479,246
Contractual Services	1,671,655	1,585,165	2,008,882	0	2,008,882
Grants and Benefits	322,920	344,216	400,000	0	400,000
Other	2,286	2,791			
<b>Total Expenditures</b>	<b>\$17,974,755</b>	<b>\$17,940,476</b>	<b>\$19,073,179</b>	<b>\$693,333</b>	<b>\$19,766,512</b>
<b>Fund Type</b>					
State General Funds	\$14,156,588	\$14,218,117	\$15,499,746	\$693,333	\$16,193,079
Federal Funds	3,448,057	3,595,854	3,573,433	0	3,573,433
Other Funds	370,110	126,805			
<b>Total Funds</b>	<b>\$17,974,755</b>	<b>\$17,940,776</b>	<b>\$19,073,179</b>	<b>\$693,333</b>	<b>\$19,766,512</b>
Positions*	240	236	247	11	258
Motor Vehicles	0	0	0	0	0

\* Position counts shown under expenditures reflect the number of salaried, benefit eligible employees as of June 30 of that fiscal year.

## Department of Human Services

# Elder Abuse Investigations and Prevention

### Performance Measures

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#### Agency Purpose:

The Georgia Department of Human Services (DHS) is responsible for the delivery of social services. DHS serves all Georgia citizens through regulatory inspection, direct service, and financial assistance programs.

#### Program Purpose:

The purpose of this appropriation is to prevent disabled adults and elder persons from abuse, exploitation and neglect, and investigate situations where it might have occurred.

#### Performance Measures

	Actuals			
	FY 2011	FY 2012	FY 2013	FY 2014
1. Number of reports of abuse, neglect, or exploitation	36,888	33,709	39,000	43,630
2. Number of wards	662	674	714	760
3. Number of complaints received by Long-Term Care Ombudsman	3,255	4,265	3,116	N/A
4. Number of participants in the At-Risk Adult Crime Tactics Training Program	N/A	455	354	288
5. Percentage of Adult Protective Services investigations initiated within 10 days	92.2%	92.4%	91.4%	90.6%
6. Percentage of Adult Protective Services investigations completed within 30 days	90.7%	91.7%	89.4%	88.4%
7. Average Adult Protective Services investigator caseload	13	16	17	19
8. Average Adult Protective Services guardianship manager caseload	32	29	27	29
9. APS investigator turnover rate	10.4%	12.3%	18.0%	14.0%
10. Public guardianship case manager turnover rate	10.4%	11.1%	16.7%	22.6%
11. Percentage of reports resulting in an investigation	24.9%	34.8%	31.3%	31.1%
12. Percentage of investigations where claims were substantiated	N/A	51.0%	50.0%	50.0%
13. Percentage of investigations reopened within 6 months (Case Recidivism)	N/A	4.8%	4.7%	5.2%

***Department of Human Services***

**Elder Abuse Investigations and Prevention**

***Performance Measures***

**Performance Measures**

	Actuals			
	FY 2011	FY 2012	FY 2013	FY 2014
14. Amount of consumer savings through Elderly Legal Assistance counseling	\$10,083,092	\$8,699,359	\$9,776,059	\$12,893,533
15. Percentage of Long-Term Care Ombudsman complaints resolved to client's satisfaction	94%	94%	91%	93%



# **FY 2016 Zero-Based Budget Analysis**

Department of Human Services

ZBB Program: Elder Support Services

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## ***Department of Human Services***

# **Elder Support Services**

### ***FY 2016 Zero-Based Budget Report***

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#### **Purpose of Review**

This program helps elderly Georgians remain in their homes and communities by providing health, employment, nutrition, and other support and educational services. The Older Americans Act (OAA) requires that these services be provided through local Area Agencies on Aging (AAAs). AAAs contract with local organizations, mostly nonprofits and local governments, to provide these services. The purpose of this review is to find efficiencies within this structure that still comply with the OAA law.

#### **Results of Analysis**

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1. Statutory Alignment: Program activities are aligned with statutory responsibilities.
2. Staffing Levels: The program has 19 full-time benefit eligible employees.
3. Fleet Management: There are no motor vehicles assigned to the program.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. The updated measures accurately reflect the performance of the program.
5. Budget Impact: Maintain the current funding level.

#### **Program Operations:**

6. Administrative costs within the Area Agencies on Aging (AAA) are high. Administration costs for the 12 AAAs range from 10%-46% of contracted funds. Higher administration costs means that fewer funds go to services, some of which have wait lists. Federal restrictions limit administration costs charged to federal funds in some service categories to 10%.

**Recommendation: Negotiate the percentage of state funds going to AAAs that can be expensed toward administrative costs. The percentages should decrease from their current rates, with an emphasis on aligning with the federal caps.**

7. In FY 2015, the Senior Community Service Employment Program (SCSEP) at one AAA is being contracted directly to a provider agency.

**Recommendation: After one year, determine if this alternative approach had a positive or negative impact. If the results are promising, the Department should look to contract SCSEP statewide to streamline the service, or have the other 11 regions make a similar change.**

8. In FY 2015, the legislature added \$750,000 in state funds and \$750,000 in Social Security Block Grant (SSBG) funds to the Meals on Wheels program due to a waitlist of over 5,000 people.

**Recommendation: Continue to monitor the number of people on the Meals on Wheels wait list who meet nursing home standard of care.**

## ***Department of Human Services***

### **Elder Support Services**

#### ***FY 2016 Zero-Based Budget Report***

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9. In FY 2014, \$680,000 in SSBG funds were de-amended from the Elder Community Living Services program to Elder Support Services to help fund Money Follows the Person (MFP) activities.

**Recommendation: In the FY 2016 budget, transfer these SSBG funds into the Elder Support Services program.**

10. Balancing Incentive Program (BIP) funds may be earned through September 30, 2015 and spent through March 31, 2016. These funds have been used by the department to enhance and expand activities at Georgia's 12 Aging and Disability Resource Centers (ADRC). ADRCs provide information and options-counseling regarding long-term care supports and services.

**Recommendation: Provide information to OPB detailing the funds needed to replace the enhanced federal funding once they expire, as well as the possibilities and outcomes at the ADRCs if the funding isn't replaced.**

11. The department subcontracts with the Department of Community Health to manage the Division of Aging's responsibilities under the state's Money Follows the Person Grant (MFP) and much of the statewide activities required under the state's Balancing Incentive Program (BIP). This program amends its portion of the grant awards each year as federal dollars and expenses them as federal dollars.

**Recommendation: Amend these grant awards into the budget as other funds since this is an interagency transfer from DCH.**



## Department of Human Services

### Elder Support Services

#### Key Activities and Alternative Approach

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Resource Information and Options Counseling</b>	The Aging and Disability Resource Connection (ADRC) provides accurate, up-to date information about community resources for elderly Georgians and those with disabilities. (\$2,465,000 in BIP grant awards will be amended in during Fiscal Year).	42 U.S.C. 3026, 42 U.S.C. 3030d	8	\$1,682,201	\$1,682,201	\$0	\$1,682,201
<b>Job Training and Placement</b>	The Senior Community Services Employment Program provides employment to low-income elderly individuals.	42 U.S.C. 3056, OCGA 49-6-3	1	50,804	2,181,474	0	50,804
<b>Home Delivered Meals and Congregate Meals</b>	Improves the nutritional health of elderly Georgians by providing nutritious meals and promote the health and well-being of older individuals.	42 U.S.C. 3030	0	1,822,400	5,423,940	0	1,822,400
<b>Medicare Counseling</b>	Assists Georgia's Medicare beneficiaries and families in understanding their rights, benefits and services under the Medicare program.	CMS grant/MOU with Ga. DCH, P.L. 101-508 (1990) OBRA Section 4360	3	0	704,058		
<b>Medicare Fraud Prevention</b>	Assists Georgia's Medicare beneficiaries and families in identifying and reporting fraud.	OAA Title II, P.L. 104-191, AoA grant, 42 U.S.C. 3032	2	60,102	240,102	0	60,102
<b>Money Follows the Person</b>	Transition services for people who want and are able to live in the community. (\$2,440,418 in MFP grant awards will be amended in during Fiscal Year).	42 U.S.C. 1396n (SSA 1915c waiver), CMS, MOU with DCH	5	0	0		
<b>Total</b>			19	\$3,615,507	\$10,231,775	\$0	\$3,615,507

#### Alternative (Alternative approach to delivering program services as provided by the agency)

**1)** Division of Aging Service (DAS) could directly administer and deliver services under ADRC, GeorgiaCares, and SCSEP with state employees. Since grant awards are capped, costs would remain constant but the number of clients served would fall because of higher expenditures for benefits and technology. **2)** Currently SCSEP services are contracted through the AAAs. Directly contracting with provider agencies could enhance quality control and monitoring statewide. Administrative effort at the state level would increase while overall costs would remain almost unchanged. During FY 2015, SCSEP will contract directly with a provider agency in one region as a pilot. **3)** DAS could contract the entire SCSEP program to one or more national providers who would manage the entire grant. Costs would remain the same since the grant award is capped. **4)** While all services are contracted out to non-state entities, the cost to deliver the services across the state varies. An analysis of service delivery systems might suggest a more efficient method or model of providing elder support services. The amount of grant funding would be unchanged; however, it is possible that through administrative efficiencies, more funding would be made available to serve clients from the wait lists.

**Department of Human Services**

**Elder Support Services**

*Financial Summary*

<b>Objects of Expenditure</b>	<b>Expenditures</b>		<b>FY 2015</b>	<b>Zero Based Budget Review</b>	
	<b>FY 2013</b>	<b>FY 2014</b>	<b>Current Budget</b>	<b>Changes</b>	<b>Recommendation</b>
Personal Services	\$1,195,818	\$1,043,376	\$722,122	\$0	\$722,122
Regular Operating Expenses	478,895	470,082	205,635	0	205,635
Motor Vehicle Purchases					
Equipment					
Computer Charges	3,122	4,201	5,158	0	5,158
Real Estate Rentals					
Telecommunications	24,083	351,255	42,107	0	42,107
Contractual Services	10,365,078	10,867,091	9,256,753	680,000	9,936,753
Grants and Benefits	204	172			
<b>Total Expenditures</b>	<b>\$12,067,200</b>	<b>\$12,736,177</b>	<b>\$10,231,775</b>	<b>\$680,000</b>	<b>\$10,911,775</b>
<b>Fund Type</b>					
State General Funds	\$1,736,320	\$2,843,748	\$3,615,507	\$0	\$3,615,507
Federal Funds	9,212,951	9,892,429	6,616,268	680,000	7,296,268
Tobacco Funds	1,117,929				
<b>Total Funds</b>	<b>\$12,067,200</b>	<b>\$12,736,177</b>	<b>\$10,231,775</b>	<b>\$680,000</b>	<b>\$10,911,775</b>
Positions*	17	19	19	0	19
Motor Vehicles	0	0	0	0	0

\* Position counts shown under expenditures reflect the number of salaried, benefit eligible employees as of June 30 of that fiscal year.

## Department of Human Services

### Elder Support Services

#### Performance Measures

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##### Agency Purpose:

The Georgia Department of Human Services (DHS) is responsible for the delivery of social services. DHS serves all Georgia citizens through regulatory inspection, direct service, and financial assistance programs.

##### Program Purpose:

The purpose of this appropriation is to assist older Georgians so that they may live in their homes and communities, by providing health, employment, nutrition, and other support and education services.

##### Performance Measures

	Actuals			
	FY 2011	FY 2012	FY 2013	FY 2014
1. Percentage of clients retaining employment for 6 months or longer	76.0%	100.0%	80.0%	72.0%
2. Out of pocket savings to Medicare consumers	\$19,315,193	\$29,585,083	\$30,081,816	\$26,255,169
3. Number of Aging & Disability Resource Connection clients served	87,179	158,400	162,507	328,672
4. Percentage of clients receiving either home delivered meals or congregate meals that maintain or improve their nutrition risk score	62.2%	62.4%	63.5%	63.0%
5. Number of seniors served meals at senior centers	14,802	14,660	14,505	13,774
6. Number of seniors served home delivered meals	13,995	14,258	14,106	12,445
7. Total number of home delivered meals	2,559,037	2,530,109	2,496,511	2,306,337
8. Number of Money Follows the Person transitions	NA	206	340	262
9. Money Follows the Person Savings to Medicaid (based on average Medicaid Nursing Home costs)	NA	\$5,325,924	\$10,491,380	\$8,218,416



# **FY 2016 Zero-Based Budget Analysis**

Department of Human Services

ZBB Program: Georgia Vocational

Rehabilitation Agency: Georgia Industries for  
the Blind

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## *Department of Human Services*

# **ZBB Program: Georgia Vocational Rehabilitation Agency: Georgia Industries for the Blind**

## *FY 2016 Zero-Based Budget Report*

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### **Purpose of Review**

Georgia Industries for the Blind (GIB) operates manufacturing plants in Albany, Bainbridge, Griffin, and Warner Robbins. The purpose of this review is to analyze how the program can grow revenues and manage expenses so more blind persons can be employed.

### **Results of Analysis**

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1. Statutory Alignment: Program activities are aligned with statutory responsibilities.
2. Staffing Levels: The program has 131 full-time benefit eligible employees.
3. Fleet Management: There are 16 motor vehicles assigned to the program.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. The updated measures accurately reflect
5. Budget Impact: Maintain the current funding level.

#### Program Operations:

6. Two cars and one van in good condition are not being used because the positions associated with them will no longer be filled.  
**Recommendation: Surplus the three unused motor vehicles or transfer them to the Vocational Rehabilitation program within Georgia Vocational Rehabilitation Agency (GVRA).**
7. There are no state funds appropriated to this program. However, in AFY 2014 the program was appropriated \$118,000 for a projected deficit. Though the deficit did not materialize, state funds were expensed.  
**Recommendation: As permitted under O.C.G.A 30-2-9, Georgia Industries for the Blind is authorized to retain surplus funds as reserve funds to be used as working capital. In accordance with the state's policy on fund source spending order, the program should use other funds earned during the fiscal year, and not otherwise currently remitted to the state treasury, for program expenditures prior to the use of state funds. Additionally, any state or other funds remaining unexpensed at fiscal year end should be remitted to the state treasury. If this was done, the remaining state funds would have surplused to the state treasury.**
8. Only four times in the past forty years did net profits exceed state appropriation. This means that historically, GIB has not been able to operate profitably without state support.  
**Recommendation: Diversify products and vendors. GIB should expand further into the service industry, which has lower overhead costs. GIB should consider contracting with private vendors more often than federal contractors. GIB is bound to federal pricing structures,**
9. According to the latest data provided to OPB, GIB contracted with nine state entities for a total of \$227,674 or 2.2% of their annual revenue.

*Department of Human Services*

**ZBB Program: Georgia Vocational Rehabilitation Agency: Georgia Industries for the Blind**

*FY 2016 Zero-Based Budget Report*

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**Recommendation:** Continue to explore opportunities to provide products and services to state agencies. Work with state agencies to ensure compliance with OCGA 30-2-4, which says that all state agencies must give preference of purchase to GIB if the product is of equal quality and sold at a competitive price.

10. Georgia is one of only eight states to operate their industries for the blind as a state agency. Most states' industries for the blind now operate as nonprofits.

**Recommendation:** Once the program has diversified the type of products they make, the vendors they contract with, and the services they provide, legislation should be pursued to privatize GIB. This would only take place when both OPB and the agency feel confident GIB is ready to operate independently.

**Department of Human Services**

**ZBB Program: Georgia Vocational Rehabilitation Agency: Georgia Industries for the Blind**

**Key Activities and Alternative Approach**

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Production</b>	GIB is a manufacturing and production facility that utilizes a workforce that by law must consist of at least 75% individuals who are blind or have a significant visual disability. Current products include a variety of office products, pillows, flatware, and sewn items.	OCGA 30-2-1 et.seq	113	\$0	\$8,753,513	\$0	\$0
<b>Services</b>	GIB's current services include workforce staffing for box reclamation in Warner Robbins and a call center.	OCGA 30-2-1 et.seq	3	0	104,037	0	0
<b>Management</b>	GIB's management structure is intended to oversee production, develop new and diversified business opportunities, and expand sales.	OCGA 30-2-1 et.seq	15	0	1,185,066	0	0
<b>Total</b>			131	\$0	\$10,042,616	\$0	\$0

**Alternative** (Alternative approach to delivering program services as provided by the agency)

1) Increase non-production opportunities in staffing or services types of jobs (examples: call centers, work crews, etc.); 2) Identify "integrated" production opportunities within select businesses as employment options (this means blind individuals perform production work at a non-GIB location); 3) Develop customized skill training opportunities for blind individuals with the outcome being obtaining employment.

**Department of Human Services**

**ZBB Program: Georgia Vocational Rehabilitation Agency: Georgia Industries for the Blind**

*Financial Summary*

	<b>Expenditures</b>		<b>FY 2015</b>	<b>Zero Based Budget Review</b>	
<b>Objects of Expenditure</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>Current Budget</b>	<b>Changes</b>	<b>Recommendation</b>
Personal Services	\$5,374,809	\$4,666,956	\$4,893,048	\$0	\$4,893,048
Regular Operating Expenses	5,263,910	3,722,650	4,275,298	0	4,275,298
Motor Vehicle Purchases	77,981				
Equipment	152,823	27,477	465,286	0	465,286
Computer Charges	58,123	51,990	60,492	0	60,492
Real Estate Rentals	36,082	36,000	36,000	0	36,000
Telecommunications	24,724	18,660	30,000	0	30,000
Contractual Services	163,625	116,715	152,496	0	152,496
Other	126,787	69,949	129,996	0	129,996
<b>Total Expenditures</b>	<b>\$11,278,864</b>	<b>\$8,710,397</b>	<b>\$10,042,616</b>	<b>\$0</b>	<b>\$10,042,616</b>
<b>Fund Type</b>					
State General Funds		\$118,000			
Other Funds	\$11,278,865	8,592,397	\$10,042,616	\$0	\$10,042,616
<b>Total Funds</b>	<b>\$11,278,865</b>	<b>\$8,710,397</b>	<b>\$10,042,616</b>	<b>\$0</b>	<b>\$10,042,616</b>
Positions*	161	135	131	0	131
Motor Vehicles	15	16	16	(3)	13

\* Position counts shown under expenditures reflect the number of benefit eligible employees as of June 30 of that fiscal year.



## Department of Human Services

# ZBB Program: Georgia Vocational Rehabilitation Agency: Georgia Industries for the Blind

## Performance Measures

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### Agency Purpose:

The Georgia Vocational Rehabilitation Agency (GVRA) operates five integrated and interdependent statutory programs that share a primary goal – to assist people with disabilities to become fully productive members of society by achieving independence and meaningful employment. The largest of the programs are the Vocational Rehabilitation (VR) Program, Disability Adjudication Services, and the Roosevelt Warm Springs Institute for Rehabilitation. Two other unique programs serve consumers with visual impairments: the Business Enterprise Program and Georgia Industries for the Blind (GIB).

### Program Purpose:

The purpose of this program is to employ people who are blind in manufacturing and packaging facilities.

### Performance Measures

	Actuals			
	FY 2011	FY 2012	FY 2013	FY 2014
1. Number of blind persons employed by GIB	120	113	92	74
2. Total revenue generated from products and services	\$10,959,233	\$10,807,934	\$10,219,953	\$8,741,813
3. Percentage of total direct labor hours performed by individuals who are legally blind (federal minimum standard 75%)	92.8%	93.8%	91.5%	92.9%
4. Percentage of total revenue from services	2.6%	2.3%	3.0%	2.7%
5. Percentage of total revenue from commercial sales	2.8%	2.0%	2.9%	3.0%
6. Percentage of total revenue from federal sales	92.8%	93.8%	91.5%	92.9%



# **FY 2016 Zero-Based Budget Analysis**

## Office of the Commissioner of Insurance

### ZBB Program: Insurance Regulation

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## **ZBB Program: Insurance Regulation**

### *FY 2016 Zero-Based Budget Report*

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#### **Purpose of Review**

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The Insurance Regulation program ensures that licensed insurance entities maintain solvency and conform to state law by reviewing and auditing company financial statements to ensure they have resources sufficient to pay claims, reviewing company product offerings to ensure they comply with all applicable laws, operating a consumer hotline and portal to address insurance questions and complaints, investigating consumer complaints, licensing insurance companies and agents, collecting the Premium Tax and Special Insurance Fraud Fund assessments, and administering insurance companies placed in administrative supervision, rehabilitation, or liquidation. The purpose of this review is to address concerns about billing practices at the Office of the Commissioner of Insurance (OCI), whereby some expenses for activities and staff in the Insurance Regulation program are charged to the Special Fraud program. This review also examined how the implementation of the federal health care reform law, the Patient Protection and Affordable Care Act (PPACA), has impacted business processes, specifically in the Consumer Services division of this program.

#### **Results of Analysis**

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1. Statutory Alignment: Program activities are aligned with statutory responsibilities.
2. Staffing Levels: The program is authorized for 33 positions in its FY 2015 Annual Operating Budget (AOB) that was submitted to OPB. The state's human resources management system, PeopleSoft HCM, reflects 79 positions filled in this program. The state's accounting system, PeopleSoft Financials, which reflects where each employee's expenses are billed to, reflects 59 positions filled in the program. This mismatch of employee counts has resulted because the agency bills portions of expenses for some employees who primarily perform regulatory activities to the Special Fraud program because some of the activities of these employees impact insurance fraud investigations. See recommendation below.
3. Fleet Management: There are 3 motor vehicles assigned to the program.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. The agency should continue to develop relevant and measurable outcomes for its key activities.
5. Budget Impact: Transfer \$4,214,365 State General Funds (Total Funds: \$4,220,841) from the Special Fraud program to the Insurance Regulation program. See recommendation below.

## *Office of the Commissioner of Insurance*

# **ZBB Program: Insurance Regulation**

### *FY 2016 Zero-Based Budget Report*

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#### Program Operations:

6. In FY 2013, the Insurance Regulation program collected a total of \$369 million, with \$35.7 million in fees for regulatory services (insurance agent licensing, insurance company licensing, insurance product reviews, etc.), \$329.2 million in state premium tax revenues, and \$4.0 million in fraud fund collections.
7. Activities taking place in the Insurance Regulation program impact and contribute to insurance fraud investigations taking place in the Special Fraud program, and substantial overlap occurs between activities in the two programs. Due to the nature of the activities taking place in the Insurance Regulation program, many potential fraud cases are identified and initially worked by employees in this program. For example, an employee in the Consumer Services division may receive a consumer complaint about an insurance agent, and when the employee attempts to resolve the complaint identifies potential instances of insurance fraud. At this point, the employee would turn the case over to an investigator in the Special Fraud program; however, the Insurance Regulation employee has already identified the case and conducted basic fact-finding. This same scenario of an Insurance Regulation employee identifying and conducting fact-finding on potential fraud cases also occurs with employees conducting financial reviews, financial audits, insurance product reviews, and market conduct studies.

**Recommendation: Combine the Special Fraud and Insurance Regulation programs into a single program to account for the overlap in activities between the two programs. Transfer \$4,214,365 state general funds (Total Funds: \$4,220,841), 55 positions, and 5 vehicles from the Special Fraud program to the Insurance Regulation program.**

8. A 2008 performance audit conducted by the Department of Audits and Accounts expressed concern about the practice of billing portions of insurance regulation activities to the Special Fraud program because the agency did not demonstrate that the activities adequately contributed to insurance fraud investigations.

**Recommendation: Implement reporting procedures to track the number of potential fraud referrals reported and worked by employees in the regulatory divisions, and use this data to develop a consistent and defensible algorithm to be used for determining the amount of regulatory expense that will be billed to the Special Insurance Fraud Fund.**

9. Georgia statute (OCGA §33-1-17) requires that the Commissioner of Insurance prepare a separate budget request for the General Assembly which sets forth the anticipated cost and expense associated with the investigation and prosecution of insurance fraud for 12 months. The Special Fraud program budget has fulfilled this requirement each year; however, it has not reflected the full costs of investigating and prosecuting insurance fraud because it did not include some costs of investigation occurring in the Insurance Regulation program.

## ***Office of the Commissioner of Insurance***

### **ZBB Program: Insurance Regulation**

#### ***FY 2016 Zero-Based Budget Report***

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**Recommendation: Establish "Special Fraud" as a subprogram within the Insurance Regulation program. This will allow for the agency to continue to report on the budget for the Special Insurance Fraud Fund.**

10. The Insurance Regulation program's operating budget, human resources records, and accounting records each reflect a different number of employees working in the program, which prevents policymakers from understanding how many employees are required to regulate the insurance industry in Georgia. The program is authorized for 33 positions in its FY 2015 Annual Operating Budget (AOB) that was submitted to OPB. The state's human resources management system, PeopleSoft HCM, reflects 79 positions filled in this program. The state's accounting system, PeopleSoft Financials, which reflects where each employee's expenses are billed to, reflects 59 positions filled in the program. This mismatch of employee counts has resulted because the agency bills portions of expenses for some employees who primarily perform regulatory activities to the Special Fraud program because some of the activities of these employees impact insurance fraud investigations, as explained above. However, this practice causes the employee counts reflected in the program's budget, human resources records, and accounting records to be different from each other.

**Recommendation: Align authorized positions in the AOB with actual positions filled once the Special Fraud and the Insurance Regulation programs have combined.**

11. The Consumer Services division, within the Insurance Regulation program, operates a hotline and an online portal for Georgia consumers to submit insurance questions and complaints. Consumer Services staff investigate and resolve any complaints reported to the agency by Georgia insurance consumers. The agency reported that the average number of days required to resolve a complaint increased by 31% in FY 2013, from 47 to 62 days; and by another 10% in FY 2014, from 62 to 68 days. The agency reports that this increased time required to resolve complaints is related to increased call volumes and increased case complexity resulting from the federal health care reform law, the Patient Protection and Affordable Care Act (PPACA).

**Recommendation: Monitor if the number of days required to resolve a complaint is reduced in FY 2015. If the number of days required to resolve a complaint is not reduced, request additional funds to increase staffing levels for consumer services during the FY 2017 budget development cycle.**

## Office of the Commissioner of Insurance

### ZBB Program: Insurance Regulation

#### Key Activities and Alternative Approach

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Consumer Services</b>	Provides consumer protection by investigating consumer complaints related to insurance policies and products, claims adjudication, rates, or any other issues reported to the Department.	OCGA 33-2-9	32	\$1,009,027	\$1,009,027	\$0	\$1,009,027
<b>Insurance Financial Oversight</b>	Investigates and audits the accuracy of the filed statements of Georgia domiciled insurers, investigates unfair trade practices and other violations of Georgia law, and provides in-house desk audits of the Annual Financial Statement and all other supplemental filings made by insurers. Also administers insurers who have been placed into administrative supervision, rehabilitation, or liquidation by the Commissioner.	OCGA 33-2-1, 33-2-3, 33-2-11	17	1,513,036	1,513,036	1,820,833	3,333,869
<b>Product Review</b>	Reviews all product offerings for insurance companies licensed to transact business in the state in order to ensure compliance with insurance code, case law, bulletins, and directives.	OCGA 33-9-21, 33-24-9, 33-7-6, 33-9-12, 33-9-18, 33-46-1	17	1,562,639	1,562,639	1,348,813	2,911,452
<b>Agents Licensing</b>	Licenses insurance agents, solicitors, counselors, brokers and adjusters for all classes of insurance through administering license qualifications, approving formal classroom and other training courses, issuing temporary licenses to qualified first-time applicants, issuing permanent licenses as prescribed by law, and implementing reciprocal agreements with other states for licensing non-resident applicants.	OCGA 33-2-12	8	685,319	685,319	0	685,319
<b>Premium Tax Collection</b>	Ensures compliance with the insurance tax laws, rules and regulations and processes the premium tax returns for all insurance companies and surplus lines transactions in the State of Georgia. Assesses, collects and distributes the County/Municipal Tax. Assesses and collects the Special Insurance Fraud Fund.	OCGA 33-8-4, 33-1-17	3	284,931	284,931	0	284,931

## Office of the Commissioner of Insurance

# ZBB Program: Insurance Regulation

### Key Activities and Alternative Approach

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Administrative Procedures</b>	Provides administrative support (financial management, budget, human resources, senior management) for the Insurance Regulation program.	OCGA 33-2-9	2	222,652	222,652	0	222,652
<i>Transfers from the Special Fraud program*</i>							
<b>Fraud Investigation*</b>	Investigates allegations of insurance fraud and resolves the case by referring for prosecution, referring for administrative action, or deeming the case unfounded.	OCGA 33-1-9, 33-1-17				1,044,719	1,044,719
<i>Total</i>			79	\$5,277,604	\$5,277,604	\$4,214,365	\$9,491,969

#### Alternative (Alternative approach to delivering program services as provided by the agency)

No alternative approaches to program services delivery are recommended at this time.

#### Notes:

\* The Fraud Investigation activity is currently funded in the Special Fraud program. The recommendations of this Zero Based Budget analysis transfer this activity to the Insurance Regulation program.

**Office of the Commissioner of Insurance**

**ZBB Program: Insurance Regulation**

*Financial Summary*

	Expenditures		FY 2015	Zero Based Budget Review	
Objects of Expenditure	FY 2013	FY 2014	Current Budget	Changes	Recommendation
Personal Services	\$4,479,988	\$4,862,878	\$4,719,858	\$3,520,395	\$8,240,253
Regular Operating Expenses	86,040	69,902	66,767	262,644	329,411
Motor Vehicle Purchases				50,001	50,001
Equipment	427	14,689		17,500	17,500
Computer Charges	19,690	12,108	1,348	20,301	21,649
Real Estate Rentals	302,714	200,733	302,714	222,169	524,883
Telecommunications	73,776	55,066	81,761	21,789	103,550
Contractual Services	47,107	4,093	105,156	106,042	211,198
<b>Total Expenditures</b>	<b>\$5,009,742</b>	<b>\$5,219,468</b>	<b>\$5,277,604</b>	<b>\$4,220,841</b>	<b>\$9,498,445</b>
<b>Fund Type</b>					
State General Funds	\$4,794,082	\$5,143,913	\$5,277,604	\$4,214,365	\$9,491,969
Federal Funds	215,659	75,555		6,476	6,476
<b>Total Funds</b>	<b>\$5,009,742</b>	<b>\$5,219,468</b>	<b>\$5,277,604</b>	<b>\$4,220,841</b>	<b>\$9,498,445</b>
Positions*	56	59	33	55	88
Motor Vehicles	3	3	3	5	8

\* Position counts shown under expenditures reflect the number of salaried, benefit eligible employees as of June 30 of that fiscal year.



## Office of the Commissioner of Insurance

### ZBB Program: Insurance Regulation

#### Performance Measures

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##### Agency Purpose:

The Office of the Commissioner of Insurance is accountable for upholding state laws regarding insurance, small loans, fire safety, and manufactured housing.

##### Program Purpose:

The purpose of the appropriation is to ensure that licensed insurance entities maintain solvency and conform to state law by conducting financial and market examinations, investigating policyholder complaints, monitoring for compliance with state laws and regulations, reviewing and approving premium rates, and disseminating information to the public and insurance industry about the state's insurance laws and regulations.

##### Performance Measures

	Actuals			
	FY 2011	FY 2012	FY 2013	FY 2014
1. Number of licensed insurance companies	1,632	1,550	1,567	TBD
2. Average number of days required to certify that a new insurance product is reviewed, approved, and market-ready	34	28	22	22
3. Average number of days to resolve a complaint received by the Consumer Services division	40	47	62	68
4. Funds returned to Georgia consumers through complaint resolution	\$10,198,910	\$7,844,176	\$12,094,517	\$7,970,138
5. Number of cases referred to the Special Fraud division	73	167	98	114
6. Number of companies placed in administrative supervision, rehabilitation, or liquidated	5	0	1	4



# **FY 2016 Zero-Based Budget Analysis**

## Office of the Commissioner of Insurance

### ZBB Program: Special Fraud

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## ***Office of the Commissioner of Insurance***

### **ZBB Program: Special Fraud**

#### ***FY 2016 Zero-Based Budget Report***

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#### **Purpose of Review**

The Special Fraud program identifies, investigates, and takes appropriate action to deter insurance fraud. The Special Fraud program is funded through the Special Insurance Fraud Fund, which is an assessment on all insurance companies doing business in Georgia. This assessment was established by the General Assembly in 1995, and each year the assessment is made according to an algorithm that assesses fees equal to the appropriation for the Special Fraud program. The purpose of this review is to address concerns about billing practices at the Office of the Commissioner of Insurance (OCI), whereby some expenses for activities and staff in the Insurance Regulation program are charged to the Special Fraud program. This review also addresses concerns about the effectiveness of the program at identifying and deterring insurance fraud.

#### **Results of Analysis**

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1. Statutory Alignment: Program activities are aligned with statutory responsibilities.
2. Staffing Levels: The program is authorized for 61 positions in its FY 2015 Annual Operating Budget (AOB) that was submitted to OPB. The state's human resources management system, PeopleSoft HCM, reflects 9 positions filled in this program. The state's accounting system, PeopleSoft Financials, which reflects where each employee's expenses are billed to, reflects 42 positions filled in the program. This mismatch of employee counts has resulted because the agency bills portions of expenses for some employees who primarily perform regulatory activities to the Special Fraud program because some of the activities of these employees impact insurance fraud investigations. Specific recommendations are below.
3. Fleet Management: There are 6 motor vehicles assigned to the program, but the AOB only reflects five motor vehicles. See recommendation below.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. Some performance measures overlap with performance measures reported for the Insurance Regulation program.
5. Budget Impact: Transfer \$4,214,365 State General Funds (Total Funds: \$4,220,841) from the Special Fraud program to the Insurance Regulation program. See recommendation below.

## ***Office of the Commissioner of Insurance***

### **ZBB Program: Special Fraud**

#### ***FY 2016 Zero-Based Budget Report***

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##### Program Operations:

6. In most years, OCI staff submits relatively few potential fraud cases to local district attorneys (DAs) for prosecution. For example, in FY 2014, only 39 cases, or approximately 10% of all potential fraud cases closed by OCI staff, were submitted to a local DA for prosecution. Of those 39 cases submitted, only 12 cases (or 31% of the cases submitted) resulted in a criminal conviction. The remaining 27 cases were not prosecuted or did not result in a conviction. OCI staff indicate that some fraud cases investigated by the unit are not prosecuted by DAs because they were focused on other areas or lacked resources. The program's enabling legislation allows program funds to be used to reimburse DAs to prosecute insurance fraud cases. Additionally, in the Department of Audits and Accounts' (DOAA) 2008 review of the Special Fraud program, DOAA recommended that special fraud assessment funds be used to facilitate the prosecution of insurance fraud cases.

**Recommendation: In cooperation with the insurance industry that funds the Special Insurance Fraud Fund, create a fraud prosecution reimbursement program for local DAs that prosecute insurance fraud cases referred to them by the Special Fraud unit of the agency.**

7. In the course of the Zero-Based Budget process, OCI staff were unable to explain to OPB staff how fraud cases were resolved for those cases referred to prosecutors that had not yet resulted in convictions. In 2008, DOAA staff reviewing the Special Fraud program similarly found that Special Fraud staff were uncertain of the status of each case that had been referred to prosecutors, when these cases would be prosecuted, or whether these cases would be prosecuted. However, state law requires that prosecuting attorneys notify OCI of the reasons for lack of prosecution when the prosecution has not begun within 90 days.

**Recommendation: Implement tracking procedures for all cases referred to prosecutors. Sixty days after the submission of cases to prosecutors, send notices to prosecutors reminding them of the state law requirement that OCI be notified of case status within 90 days of case submission.**

## **ZBB Program: Special Fraud**

### *FY 2016 Zero-Based Budget Report*

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8. Activities taking place in the Insurance Regulation program impact and contribute to insurance fraud investigations taking place in the Special Fraud program, and substantial overlap occurs between activities in the two programs. Due to the nature of the activities taking place in the Insurance Regulation program, many potential fraud cases are identified and initially worked by employees in this program. For example, an employee in the Consumer Services division may receive a consumer complaint about an insurance agent, and when the employee attempts to resolve the complaint identifies potential instances of insurance fraud. At this point, the employee would turn the case over to an investigator in the Special Fraud program; however, the Insurance Regulation employee has already identified the case and conducted basic fact-finding. This same scenario of an Insurance Regulation employee identifying and conducting fact-finding on potential fraud cases also occurs with employees conducting financial reviews, financial audits, insurance product reviews, and market conduct studies.

**Recommendation: Combine the Special Fraud and Insurance Regulation programs into a single program to account for the overlap in activities between the two programs. Transfer \$4,214,365 State General Funds (Total Funds: \$4,220,841), 55 positions, and 5 vehicles from the Special Fraud program to the Insurance Regulation program.**

9. The Special Fraud program's operating budget, human resources records, and accounting records each reflect a different number of employees working in the program, which prevents policymakers from understanding how many employees are required to identify, investigate, and deter insurance fraud in Georgia. The program is authorized for 61 positions in its FY 2015 Annual Operating Budget (AOB) that was submitted to OPB. The state's human resources management system, PeopleSoft HCM, reflects 9 positions filled in this program. The state's accounting system, PeopleSoft Financials, which reflects where each employee's expenses are billed to, reflects 42 positions filled in the program. This mismatch of employee counts has resulted because the agency bills portions of expenses for some employees who primarily perform regulatory activities to the Special Fraud program because some of the activities of these employees impact insurance fraud investigations, as explained above. However, this practice causes the employee counts reflected in the program's budget, human resources records, and accounting records to be different from each other.

**Recommendation: Align authorized positions in AOB with actual positions filled once the Special Fraud and the Insurance Regulation programs have combined.**

10. Six motor vehicles are assigned to the program which are used by the nine investigators staffing the program. The AOB only reflects five motor vehicles.

**Recommendation: Align authorized motor vehicle count with the actual number of motor vehicles assigned to the program.**

*Office of the Commissioner of Insurance*

**ZBB Program: Special Fraud**

*FY 2016 Zero-Based Budget Report*

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11. A 2008 performance audit conducted by the Department of Audits and Accounts expressed concern about the practice of billing portions of insurance regulation activities to the Special Fraud program because the agency did not demonstrate that the activities adequately contributed to insurance fraud investigations.

**Recommendation: Implement reporting procedures to track the number of potential fraud referrals reported and worked by employees in the regulatory divisions, and use this data to develop a consistent and defensible algorithm to be used for determining the amount of regulatory expense that will be billed to the Special Insurance Fraud Fund.**

12. Georgia statute (OCGA §33-1-17) requires that the Commissioner of Insurance prepare a separate budget request to the General Assembly which sets forth the anticipated cost and expense associated with the investigation and prosecution of insurance fraud for 12 months. The Special Fraud program budget has fulfilled this requirement each year; however, it has not reflected the full costs of investigating and prosecuting insurance fraud because it did not include some costs of investigation occurring in the Insurance Regulation program.

**Recommendation: Establish Special Fraud as a subprogram within the Insurance Regulation program. This will allow for the agency to continue to report on the budget for the Special Insurance Fraud Fund.**

**Office of the Commissioner of Insurance**

**ZBB Program: Special Fraud**

*Key Activities and Alternative Approach*

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Fraud Investigation</b>	Investigates allegations of insurance fraud and resolves the case by referring for prosecution, referring for administrative action, or deeming the case unfounded.	OCGA 33-1-9, 33-1-17	9	\$1,044,719	\$1,051,195	(\$1,044,719)	\$0
<b>Financial Examinations</b>	Investigates and audits the accuracy of the filed statements of Georgia domiciled insurers. This activity is also funded through the Insurance Regulation program.	OCGA 33-2-11, 33-21-17		1,820,833	1,820,833	(1,820,833)	0
<b>Regulatory Services</b>	Investigates unfair trade practices and other violations of Georgia law, and reviews all product offerings for insurance companies licensed to transact business in the state in order to ensure compliance with insurance code, case law, bulletins, and directives. This activity is also funded through the Insurance Regulation program.	OCGA 33-2-1, 33-2-3, 33-2-11		1,348,813	1,348,813	(1,348,813)	0
							0
<i>Total</i>			9	\$4,214,365	\$4,220,841	(\$4,214,365)	\$0

**Alternative** (Alternative approach to delivering program services as provided by the agency)

No alternative approaches to program services delivery are recommended at this time.

**Office of the Commissioner of Insurance**

**ZBB Program: Special Fraud**

*Financial Summary*

<b>Objects of Expenditure</b>	<b>Expenditures</b>		<b>FY 2015</b>	<b>Zero Based Budget Review</b>	
	<b>FY 2013</b>	<b>FY 2014</b>	<b>Current Budget</b>	<b>Changes</b>	<b>Recommendation</b>
Personal Services	\$3,624,410	\$3,434,072	\$3,520,395	(\$3,520,395)	\$0
Regular Operating Expenses	92,476	73,742	262,644	(262,644)	0
Motor Vehicle Purchases			50,001	(50,001)	0
Equipment	7,927	145,941	17,500	(17,500)	0
Computer Charges	24,423	77,177	20,301	(20,301)	0
Real Estate Rentals	222,169	222,169	222,169	(222,169)	0
Telecommunications	33,331	23,410	21,789	(21,789)	0
Contractual Services	31,004	1,500	106,042	(106,042)	0
<b>Total Expenditures</b>	<b>\$4,035,740</b>	<b>\$3,978,011</b>	<b>\$4,220,841</b>	<b>(\$4,220,841)</b>	<b>\$0</b>
<b>Fund Type</b>					
State General Funds	\$4,029,793	\$3,975,880	\$4,214,365	(\$4,214,365)	\$0
Federal Funds	5,947	2,131	6,476	(6,476)	0
<b>Total Funds</b>	<b>\$4,035,740</b>	<b>\$3,978,011</b>	<b>\$4,220,841</b>	<b>(\$4,220,841)</b>	<b>\$0</b>
Positions*	47	42	61	(61)	0
Motor Vehicles	5	5	5	(5)	0

\* Position counts shown under expenditures reflect the number of salaried, benefit eligible employees as of June 30 of that fiscal year.



## Office of the Commissioner of Insurance

### ZBB Program: Special Fraud

#### Performance Measures

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**Agency Purpose:**

The Office of the Commissioner of Insurance is accountable for upholding state laws regarding insurance, small loans, fire safety, and manufactured housing.

**Program Purpose:**

The purpose of this program is to identify and take appropriate action to deter insurance fraud, which is funded through an annual Special Fraud Assessment paid by all insurance companies doing business in Georgia.

**Performance Measures**

	Actuals			
	FY 2011	FY 2012	FY 2013	FY 2014
1. Number of complaints received	267	533	367	340
2. Average number of days to resolve a case	40	47	62	68
3. Percent of complaints reported by the Insurance Regulation program at OCI	27%	31%	27%	34%
4. Percent of complaints received that resulted in a referral to a district attorney for prosecution	8%	9%	7%	11%
5. Percent of complaints received that resulted in administrative penalties or action	4%	4%	6%	5%
6. Percent of complaints received that are closed because the investigator finds that no action is necessary	43%	37%	33%	41%
7. Of cases referred to a district attorney, percent of those cases that resulted in a criminal conviction	43%	40%	92%	31%



# **FY 2016 Zero-Based Budget Analysis**

## Georgia Bureau of Investigation

### ZBB Program: Forensic Scientific Services

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## ***Georgia Bureau of Investigation***

# **ZBB Program: Forensic Scientific Services**

### ***FY 2016 Zero-Based Budget Report***

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#### **Purpose of Review**

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The Forensic Scientific Services program provides forensic analysis of evidence in criminal and death investigations for law enforcement agencies. There are seven labs located throughout the state: one full service lab in Atlanta and six limited service labs in Augusta, Cleveland, Columbus, Macon, Moultrie and Savannah. These labs specialize in toxicology, DNA analysis, drugs, firearms, impressions, latent prints, and forensic biology. The purpose of this review is to assess the performance and cost effectiveness of the Forensics Scientific Services program.

#### **Results of Analysis**

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1. Statutory Alignment: Program activities are aligned with statutory responsibilities.
2. Staffing Levels: The program has 273 full-time benefit eligible employees.
3. Fleet Management: There are 27 motor vehicles assigned to the program.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. The updated measures accurately reflect the performance of the program.
5. Budget Impact: Increase funds by \$480,084 for Medical Examiner recruitment and retention initiatives.

##### Program Operations:

6. The Forensic Scientific Services program has 273 full-time employees, pproximately 13 of whom are paid with grant funding. The program released 91,961 reports in FY 2014 for an average of 337 reports per employee. Since FY 2011, the backlog of incomplete reports older than 30 days has decreased from 6,532 to 4,373. The backlog has decreased due to lower scientist turnover that can be attributed to salary adjustments implemented in previous fiscal years. Maintaining staff allows scientists to spend their time working in the lab rather than training new employees. The agency addresses the backlog by prioritizing cases bases on investigative and court needs. Approximately 95% of reports are completed within 90 days of the request for analysis. Despite the reduction in backlog, the agency still faces challenges in completely eliminating the backlog due to limited staffing and increased tasks associated with mandatory quality standards that are linked to the laboratory accreditation. Maintaining accreditation is a requirement for the laboratory to qualify for federal grant funding and continue participation in programs such as the CODIS DNA database.

**Recommendation: Continue to prioritize backlog to avoid delay in prosecution and remove cases that are not being prosecuted. Utilize grant funding for additional positions to the extent funds are available.**

## ***Georgia Bureau of Investigation***

### **ZBB Program: Forensic Scientific Services**

#### ***FY 2016 Zero-Based Budget Report***

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7. Nearly 45% of the backlog is attributed to requests for latent print analysis or firearms analysis. Scientists within the different functional areas of the laboratory have differing educational requirements and receive extensive training unique to the specific types of analysis that will be performed by each scientist. These specialized education and training requirements make it impractical for the agency to move personnel between the various disciplines.

**Recommendation: Evaluate staffing needs in latent prints and firearms to address increasing caseloads.**

8. The Medical Examiner's Office is accredited by the National Association of Medical Examiners. To maintain accreditation, all caseloads for each medical examiner must remain under 325. The Office's current caseload is 340 per medical examiner, and is expected to increase over the accreditation threshold after the retirement of a medical examiner in FY 2015. Funds were added in the FY 2015 budget for one medical examiner and death investigator to maintain accreditation. Nationally, there is a shortage of forensic pathologists with only approximately 450 boarded forensic pathologists in the United States. Two factors contributing to this shortage are an inadequate supply of newly board certified forensic pathologists entering the workforce and salaries. A 2009 U.S. Bureau of Labor Statistics report showed the national average salary was 32% higher than Georgia's Medical Examiner's Office. Locally, GBI's entry level board certified medical examiner salaries are 16% lower than the Fulton County Medical Examiner's Office. Medical examiner salaries were not included in the pay parity salary adjustments for GBI scientists and agents. GBI's entry level salaries for board certified forensic pathologists limit the potential of the agency to recruit and retain medical examiners from a very limited pool of qualified personnel.

**Recommendation: Increase funds by \$480,084 for personal services for recruitment and retention initiatives for Medical Examiner positions.**

9. Accreditation of Medical Examiners is linked to the ability of the laboratory to complete toxicology analysis within specified time frames. According to the accreditation standards for medical examiners, the turnaround time for autopsy reports in homicide investigation should be 60 days or less. In non-homicide death investigations, the number of deaths caused by drug overdose is also increasing as the population increases. During FY 2014, the average turnaround time for postmortem toxicology reports was approximately 46 days, which limits the opportunity of the medical examiner to issue the autopsy report within 60 days since additional information may need to be collected and considered after the toxicology report is completed. The laboratory is utilizing computer simulation modeling to help identify staffing needs in the toxicology unit.

**Recommendation: Evaluate staffing needs within the laboratory to analyze increasing toxicology caseloads as the population in Georgia grows and drug related deaths increase.**

## ***Georgia Bureau of Investigation***

### **ZBB Program: Forensic Scientific Services**

#### ***FY 2016 Zero-Based Budget Report***

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10. The Forensic Scientific Services program is inundated with open records requests which must be completed within certain time frames. In order to accommodate these requests, the program has repurposed a scientist to help respond to them. A scientist is required because a typical request requires training to retrieve information from various databases. Personal and other sensitive information must be redacted, which adds additional time for the scientist to complete each request. Currently, the agency does not have a method to track the number of open records requests received.

**Recommendation: Track the number of open records requests received to determine the need to dedicate a staff person to this activity. Evaluate whether training a staff position, similar to how medical administrative assistants are used for coding and pulling patient information, is feasible to handle open records requests for the agency.**

11. In FY 2014, the Savannah Crime Lab provided more than 3,913 forensic reports involving drug identification, forensic biology, medical examiner, and firearms analysis. Due to a growing population in the region, GBI expects the caseload to increase to over 6,000 by 2030. Currently the Savannah lab has 22 scientists, medical examiners, and technicians, but the agency will need 30 employees to handle the expected increase in caseload. Space in the Savannah Crime Lab is fully utilized and is inadequate to support additional personnel and instrumentation needed to handle additional cases. For instance, classroom space has already been converted to a firearms analysis area.

**Recommendation: Request bond funding to add additional space at the Savannah Crime Lab. Following completion of the facility improvements, review staffing levels at the Savannah Crime Lab and fund additional positions as needed to adequately address increasing caseloads.**

12. In FY 2014, the Forensic Scientific Services program consolidated the Medical Examiner's Office in Moultrie and the Atlanta morgue. As expected, the caseload for the Atlanta morgue increased due to the move. Current space at the Atlanta morgue is limited and insufficient to meet the needs of the program. Space at the Atlanta morgue is fully utilized and new construction will be needed to increase capacity. As mentioned previously, an additional medical examiner has been added to the program's staff, but space is nonexistent for any additional medical examiners and support staff that will be needed to handle future projected caseload.

**Recommendation: Request bond funding to add additional morgue space at the Atlanta Headquarters.**

## Georgia Bureau of Investigation

### ZBB Program: Forensic Scientific Services

#### Key Activities and Alternative Approach

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Chemistry</b>	Provides analysis of evidence in order to determine the presence or absence of controlled substances. Chemists provide expert testimony to the courts, supply the courts and other state agencies with factual drug information.	OCGA 35-3-151	75	\$9,355,007	\$9,355,007	\$0	\$9,355,007
<b>Medical Examiner's</b>	Provides complete forensic pathology services to 153 of Georgia's 159 counties in deaths which qualify as coroner cases under the Georgia Death Investigation Act.	OCGA 35-3-151	51	6,124,293	6,348,289	480,084	\$6,604,377
<b>Trace Evidence</b>	Provides analysis of trace elements such as hair, glass, dust, paints, and other small items to determine if there is any evidence linking the item to a crime.	OCGA 35-3-151	10	1,120,887	1,120,887	0	\$1,120,887
<b>Toxicology</b>	Provides state and local law enforcement officials and medical examiners with vital information about human biological samples and specifically whether drugs, alcohol or poisons may have played a role in the commission of a crime or a death.	OCGA 35-3-151	52	5,821,166	5,821,166	0	\$5,821,166
<b>Firearms ID</b>	Tests firearms to determine if a gun was accidentally discharged, if ammo found in a crime scene matches a gun, and distance determination.	OCGA 35-3-151	17	1,789,285	1,789,285	0	\$1,789,285
<b>Impressions</b>	Conducts all work pertaining to the examination of latent prints on evidence submitted to the GBI Crime Lab. Latent prints are impressions produced by the ridged skin on human fingers, palms, and soles of the feet. Examiners analyze and compare latent prints to known prints of individuals in an effort to make identifications or exclusions.	OCGA 35-3-151	17	1,531,268	1,531,268	0	\$1,531,268
<b>Forensic Biology</b>	Performs serological and DNA analyses of physiological fluids for the purpose of identification and individualization.	OCGA 35-3-151	51	5,985,136	5,985,136	0	\$5,985,136
<b>Operations Support</b>	Provides laboratory support to crime labs by processing all pieces of evidence received and performing other clerical duties.	OCGA 35-3-151	0	32,825	32,825	0	\$32,825
<b>Total</b>			273	\$31,759,867	\$31,983,863	\$480,084	\$32,239,951

## Georgia Bureau of Investigation

### ZBB Program: Forensic Scientific Services

#### Key Activities and Alternative Approach

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Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
Activity	Description						

**Alternative** (Alternative approach to delivering program services as provided by the agency)

No alternative approaches to program services delivery are recommended at this time.

**Georgia Bureau of Investigation**

**ZBB Program: Forensic Scientific Services**

*Financial Summary*

	Expenditures		FY 2015	Zero Based Budget Review	
Objects of Expenditure	FY 2013	FY 2014	Current Budget	Changes	Recommendation
Personal Services	\$22,909,695	\$23,598,592	\$27,175,246	\$480,084	\$27,655,330
Regular Operating Expenses	4,073,959	4,555,192	3,250,978	0	3,250,978
Motor Vehicle Purchases					
Equipment	818,513	908,179	15,000	0	15,000
Computer Charges	456,229	625,652	240,424	0	240,424
Real Estate Rentals					
Telecommunications	1,120,335	1,073,370	1,246,052	0	1,246,052
Capital Outlay	15,822				
Contractual Services	120,509	284,512	56,163	0	56,163
<b>Total Expenditures</b>	<b>\$29,515,061</b>	<b>\$31,045,497</b>	<b>\$31,983,863</b>	<b>\$0</b>	<b>\$32,463,947</b>
<b>Fund Type</b>					
State General Funds	\$26,661,246	\$28,945,799	\$31,759,867	\$480,084	\$32,239,951
Federal Funds	2,632,546	1,901,099	66,131	0	66,131
Other Funds	221,269	198,598	157,865	0	157,865
<b>Total Funds</b>	<b>\$29,515,061</b>	<b>\$31,045,497</b>	<b>\$31,983,863</b>	<b>\$0</b>	<b>\$32,463,947</b>
Positions*	268	273	273	2	275
Motor Vehicles	30	28	27	0	27

\* Position counts shown under expenditures reflect the number of salaried, benefit eligible employees as of June 30 of that fiscal year.



## Georgia Bureau of Investigation

### ZBB Program: Forensic Scientific Services

#### Performance Measures

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##### Agency Purpose:

The Georgia Bureau of Investigation (GBI) is an independent, statewide agency that provides assistance to the state's criminal justice system in the areas of criminal investigations, forensic laboratory services and computerized criminal justice information.

##### Program Purpose:

The purpose of this program is to provide forensic analysis and testimony in the areas of chemistry (drug identification), firearms, digital imaging, forensic biology (serology/DNA), latent prints, pathology, questioned documents, photography, toxicology, implied consent, and trace evidence in support of the criminal justice system; to provide medical examiner (autopsy) services; and to analyze and enter samples into national databases such as AFIS, CODIS, and NIBIN.

##### Performance Measures

1. Turnover rate for scientists
2. Backlog of cases
3. Total number of reports released
4. Percentage of reports released in 45 days
5. Combined DNA Index System matches
6. Open records requests received

Actuals			
FY 2011	FY 2012	FY 2013	FY 2014
12%	9%	7%	7%
6,532	5,751	3,046	4,373
85,523	89,597	95,206	91,961
74%	62%	73%	79%
894	783	941	1,182
N/A	N/A	N/A	N/A



# **FY 2016 Zero-Based Budget Analysis**

## Department of Juvenile Justice

### ZBB Program: Departmental Administration

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## ***Department of Juvenile Justice***

# **ZBB Program: Departmental Administration**

### ***FY 2016 Zero-Based Budget Report***

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#### **Purpose of Review**

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The Departmental Administration program consists of two primary subprograms, Administration and the Office of Training. The Administration subprogram provides a variety of administrative and support services, including: investigations, engineering, executive operations, financial services, human resources, information technology, general services, and communications. The Office of Training subprogram is responsible for the delivery of basic and specialized instructional programs designed to support the agency's mission of effectively enhancing the safety, security and skills of its employees. The purpose of this review is to evaluate the program's effectiveness and identify any potential operating efficiencies.

#### **Results of Analysis**

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1. Statutory Alignment: Program activities are aligned with statutory responsibilities.
2. Staffing Levels: The program's full-time benefit eligible employees increased from 137 to 179 since FY 2013. The increase is due to the agency filling vacant positions within the program.
3. Fleet Management: There are 55 motor vehicles assigned to the program, an increase of 35 from FY 2014. The additional vehicles are used to facilitate statewide training initiatives.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. The agency should continue to develop relevant and measurable outcomes for its key activities.
5. Budget Impact: Maintain the current funding level.

## ***Department of Juvenile Justice***

### **ZBB Program: Departmental Administration**

#### ***FY 2016 Zero-Based Budget Report***

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##### Program Operations:

6. The Office of Engineering developed a Facility Master Plan to outline future construction projects that need to be completed by the Department of Juvenile Justice (DJJ). The projects are a result of aging facilities, new security standards, such as requirements related to the Prison Rape Elimination Act (PREA), and space deficiencies for educating youth in state facilities. DJJ has five active construction projects that are in various stages of construction (two are in the programming phase, two are in the design phase and one is in the construction phase). DJJ currently uses a private vendor for maintenance of its facilities, but recent facility site visits showed evidence of neglect and numerous deficiencies in and around the facilities. As a result, a long-term maintenance plan is being developed that will address maintenance issues across all DJJ state facilities. The agency has stated that two additional engineers will be needed to improve maintenance operations; however, there is not sufficient data available at this time to support this request since much of the maintenance is privatized.

**Recommendation: Develop strategies and a staffing plan with supporting data to ensure that facilities are properly maintained to protect state assets and investments.**

7. The Office of Information Technology (IT) is engaged in the development of new risk and assessment tools that will support integrative, comprehensive and uniform data collection and reporting. The new assessment tools will guide informed decision-making at various stages in the justice process. In FY 2015, there has been increased turnover in IT. The IT staffing level has been reduced due to the resignations of two full-time DJJ employees and two programmers contracted with Covendis. There are a total of 19 positions allotted under the Covendis contract. Current staffing challenges have created significant impediments, not only to the development of the new assessment tools, but also to the ultimate collection and tracking of outcome measures. The agency has stated that additional staff will be needed to support and maintain IT operations.

**Recommendation: Develop strategies and a staffing plan with supporting data to ensure stability in the IT office. Reallocate funds from other budgetary programs as necessary to address funding requirements.**

## ***Department of Juvenile Justice***

### **ZBB Program: Departmental Administration**

#### ***FY 2016 Zero-Based Budget Report***

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8. In 2013, the U.S. Department of Justice released the results of the 2012 National Survey of Youth in Custody, which cited four of Georgia's detention centers among the worst in the nation in terms of alleged sexual misconduct of detainees. In response to the survey findings, a special Prison Rape Elimination Act (PREA) unit was established within the Office of Investigations and is currently operating with three investigators and a one field supervisor for the entire state of Georgia. The field supervisor also investigates cases to help maintain workload balance. Each investigator averages approximately seven case files per month, and it takes an average of 17 days to close a case file. DJJ's policy mandates zero tolerance towards all forms of sexual abuse and harassment, and provides guidelines for staff to reduce the risk of sexual abuse within DJJ facilities, programs and offices. The agency has stated that additional training is needed in specialty areas such as forensics, sexual assault, interviewing juveniles, and evidence collection. The agency has stated that an additional PREA investigator is also needed in the Metro Atlanta region.

**Recommendation: Create a staffing plan, with supporting data for case ratios, to ensure the timely conduct of investigations and develop strategies to eliminate the potential for recurring issues of case backlog. Reallocate funds from other budgetary programs as necessary to address funding requirements.**

9. Since FY 2012, the Department has grown to include specialty security units and P.O.S.T. certified officers. Effective July 1, 2014, Senate Bill 324 authorizes the Commissioner to appoint personnel, whose responsibility includes the supervision of delinquent children under intensive supervision in the community, as probation officers. DJJ has 15 P.O.S.T. certified officers who were certified by the Department of Corrections or Pardons and Parole; however, there are over 100 officers still waiting to receive P.O.S.T. training and certification. In September 2014, the Office of Training subprogram began offering the new P.O.S.T. certification and training courses to juvenile probation officers assigned to the High Intensity Team Supervision unit. The agency has stated that additional instructors are needed to ensure the timely and effective delivery of training to specialty units.

**Recommendation: Reallocate funds from other budgetary programs to address any staffing or contractual services needs to support the Office of Training subprogram. Develop a long-term staffing strategy to address projected training needs due to staff turnover and continuous P.O.S.T. training requirements for existing personnel.**

## ***Department of Juvenile Justice***

### **ZBB Program: Departmental Administration**

#### ***FY 2016 Zero-Based Budget Report***

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10. In FY 2015, DJJ will launch a new Leadership Institute. The new training platform will require mandatory participation from managers and supervisors at all levels of the organization. High attrition and turnover of Correctional Officers has led to a younger, more inexperienced staff. Succession planning will ensure leadership continuity by identifying and preparing employees with leadership potential for future roles. Building a stable workforce that can grow internally is one of DJJ's top priorities. The findings of a 2014 performance audit, conducted by the Georgia Department of Audits and Accounts, have also prompted the agency to set measurable goals to train staff, increase employee satisfaction and reduce turnover by FY 2017. DJJ currently lacks the resources to implement and maintain this training initiative.

**Recommendation: Reallocate funds from other budgetary programs to address any staffing or contractual services needs to support the Office of Training.**

## Department of Juvenile Justice

### ZBB Program: Departmental Administration

#### Key Activities and Alternative Approach

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
Training	Develops and maintains professional development programs through the delivery of basic and specialized training programs enhancing the department's professional workforce through a comprehensive system of staff development and training learning experiences.	OCGA 49-4A-1; 49-4A-7	26	\$2,818,180	\$2,818,180	\$0	\$2,818,180
Investigations/Intelligence	Provides internal investigative services in support of DJJ's commitment to protecting the general public, departmental employees, visitors, and the youth in the agency's care.	OCGA 49-4A-1; 49-4A-7	23	1,333,372	1,333,372	0	1,333,372
Engineering	Provides project management services for new construction, renovations, and other capital related projects. Also handles all facility maintenance and capital project planning.	OCGA 49-4A-1; 49-4A-7	6	488,788	488,788	0	488,788
Executive Operations	Includes the Office of the Commissioner, Assistant Commissioner (Chief of Staff), Legal Services, and Legislative Liaison. The Office of the Commissioner provides leadership and vision for the agency as a whole. Legal Services represents and handles the legal interests of the agency. The Legislative Liaison serves as a link between the agency and the legislative branch and is responsible for agency legislation.	OCGA 49-4A-1; 49-4A-7	10	1,655,238	1,655,238	0	1,655,238
Financial Services	Provides financial management and fiscal support to the department. These services include accounting, budget, internal audits, federal revenue, and purchasing.	OCGA 49-4A-1; 49-4A-7	32	5,061,479	5,219,225	0	5,061,479
Human Resources	Supports processes related to the department's employees. The office is also responsible for monitoring the workforce trends and proposing initiatives to address challenges to the department's workforce.	OCGA 49-4A-1; 49-4A-7	32	2,129,079	2,144,378	0	2,129,079
Information Technology	Provides technology support for department employees as well as Georgia Enterprise Technology Services (GETS) outsourcing and application management.	OCGA 49-4A-1; 49-4A-7	10	6,411,065	6,411,065	0	6,411,065

**Department of Juvenile Justice**

**ZBB Program: Departmental Administration**

*Key Activities and Alternative Approach*

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
General Services	Includes the following administrative units: contracts, grants and privatization, property management, building services, and strategic planning.	OCGA 49-4A-1; 49-4A-7	36	2,953,818	3,303,993	0	2,953,818
Communications/Media	Provides media, marketing and public affairs support for the department. Publishes the agency newsletter, "News and Views." This office is also responsible for handling open records requests from all media outlets.	OCGA 49-4A-1; 49-4A-7	4	385,742	385,742	0	385,742
<i>Total</i>			179	\$23,236,761	\$23,759,981	\$0	\$23,236,761

**Alternative** (Alternative approach to delivering program services as provided by the agency)

No alternative approaches to program delivery are recommended at this time.



**Department of Juvenile Justice**

**ZBB Program: Departmental Administration**

*Financial Summary*

	Expenditures		FY 2015	Zero Based Budget Review	
Objects of Expenditure	FY 2013	FY 2014	Current Budget	Changes	Recommendation
Personal Services	\$15,769,956	\$12,585,220	\$13,258,516	\$0	\$13,258,516
Regular Operating Expenses	3,067,631	2,557,113	1,989,872	0	1,989,872
Motor Vehicle Purchases	92,814	946,841	134,520	0	134,520
Equipment			46,793	0	46,793
Computer Charges	728,919	462,691	680,791	0	680,791
Real Estate Rentals	1,998,594	2,069,982	2,150,192	0	2,150,192
Telecommunications	3,953,989	3,581,685	3,297,725	0	3,297,725
Contractual Services	2,442,306	2,174,981	1,989,457	0	1,989,457
Service Benefits for Children	184,083	19,037			
Utilities	187,816	175,374	212,115	0	212,115
<b>Total Expenditures</b>	<b>\$28,426,107</b>	<b>\$24,572,924</b>	<b>\$23,759,981</b>	<b>\$0</b>	<b>\$23,759,981</b>
<b>Fund Type</b>					
State General Funds	\$26,857,330	\$22,879,788	\$23,236,761	\$0	\$23,236,761
Federal Funds	1,035,697	1,286,884	507,921	0	507,921
Other Funds	533,080	406,253	15,299	0	15,299
<b>Total Funds</b>	<b>\$28,426,107</b>	<b>\$24,572,924</b>	<b>\$23,759,981</b>	<b>\$0</b>	<b>\$23,759,981</b>
Positions*	137	172	179	0	179
Motor Vehicles	20	20	55	0	55

\* Position counts shown under expenditures reflect the number of salaried, benefit eligible employees as of June 30 of that fiscal year.

## ***Department of Juvenile Justice***

### **ZBB Program: Departmental Administration**

#### ***Performance Measures***

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##### **Agency Purpose:**

The Department of Juvenile Justice (DJJ) protects and serves the citizens of Georgia by holding young offenders accountable for their actions through the delivery of services and sanctions in appropriate settings and by supporting youth in their communities to become productive and law-abiding citizens.

##### **Program Purpose:**

The purpose of this program is to protect and serve the citizens of Georgia by holding youthful offenders accountable for their actions through the delivery of effective services in appropriate settings.

##### **Performance Measures**

	<b>Actuals</b>			
	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
1. Percentage of new juvenile correctional officers that successfully completed new hire training	75%	86%	84%	86%
2. Average number of days investigation cases remain open	633	252	99	22
3. Turnover rate of P.O.S.T. certified employees	40%	50%	46%	37%



# **FY 2016 Zero-Based Budget Analysis**

## Department of Natural Resources

### ZBB Program: Parks, Recreation and Historic Sites

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## ***Department of Natural Resources***

# **ZBB Program: Parks, Recreation and Historic Sites**

## ***FY 2016 Zero-Based Budget Report***

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### **Purpose of Review**

The Parks, Recreation and Historic Sites (PRHS) program oversees 63 state parks, 18 historic sites, and five golf courses. Over the last eight years, the visitation at state parks has continued to decline. The purpose of this review is to evaluate the operations of the PRHS program in order to identify any potential operating efficiencies. This review will also examine strategies the PRHS program is currently implementing to maintain attendance and examine if other methods exist that could be utilized to increase visitation.

### **Results of Analysis**

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1. Statutory Alignment: Program activities are aligned with statutory requirements.
2. Staffing Levels: The program has 288 full-time benefit eligible employees.
3. Fleet Management: There are 391 motor vehicles assigned to the program. The program plans to surplus 103 vehicles.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. The agency should continue to develop relevant and measurable outcomes for its key activities.
5. Budget Impact: Maintain the current funding level.

#### Program Operations:

6. Over the last eight years, the PRHS program has spent an average of \$1,314,769 annually on advertising and marketing, which is equal to three percent of the program budget. This amount has varied only slightly over the last eight years. In 2007, the program spent \$940,068, and the highest amount spent annually to date was in 2012, when the program spent \$1,583,545. However, visitation to the parks continued to decline over that same period. Therefore, the impact of marketing spending has on overall park attendance is unclear. For example, in 2012, the amount of funds spent on marketing increased by 13%; however, visitation only increased by two percent. To date, the department has not conducted an analysis of the efficacy of their current marketing strategies to determine its impact on park attendance.
7. The PRHS program has a team of volunteers called Friends of the Parks. This group includes over 6,000 citizens that volunteer 77,000 hours annually working at the state parks. Without the volunteers from this organization, the PRHS program would require an additional \$1 million to cover the cost of personal services and benefits.

## ***Department of Natural Resources***

### **ZBB Program: Parks, Recreation and Historic Sites**

#### ***FY 2016 Zero-Based Budget Report***

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8. The PRHS program is currently conducting a survey with the Friends of the Parks group to gather input and ideas on increasing park visitation. However, the survey is only being shared with that group, which is comprised of loyal park supporters.

**Recommendation: Utilize a portion of the existing marketing budget to design and administer a low-cost, web-based survey, in consultation with a marketing research firm if necessary. Focus the survey on citizens that are not park visitors. Identify key segments of the population and specific marketing strategies to increase the amount of new visitors.**

**Recommendation: Consult with the Department of Economic Development's Tourism program for guidance on tracking return on marketing investment and maximization of marketing expenditures and efforts.**

9. Over the last few years, the PRHS program has added new activities to several parks across the state, including kayak and paddleboard rentals, many of which have low implementation and operating costs. For example, the cost to purchase a kayak is \$675. With minimal operating costs, the department could recoup its costs in a matter of weeks during busy summer months. Currently, these amenities are only offered at 10 out of the 63 state parks. These 10 parks account for 30% of the entire park visitation total of 7,498,476 and have an average cost recovery of 55%. Since these new amenities were added in 2012, these 10 state parks had an average visitation increase of three percent. The remaining 53 state parks had an average visitation decrease of one percent.

**Recommendation: Prioritize funding, as available, to offer paddleboard, kayak, bicycle and aqua cycle rentals at additional state parks.**

10. The state owns and operates three golf courses in the Atlanta and Athens areas and one in Waycross. These courses are located at Hard Labor Creek, Victoria Bryant, Richard B. Russell, and Laura Walker state parks. On average, 14,988 rounds of golf are played at these courses per year. The average cost to play a round of golf at these courses is \$18.50. At this rate of visitation and price, the average return on investment for these parks is about 83%. Other golf courses in these areas charge between \$21 and \$27 per round of golf.

**Recommendation: Increase golf fees modestly to increase self-sufficiency while remaining competitive with other public golf courses.**

11. The state also owns and operates a golf course at the Gordonia-Altamaha state park. On average, only 6,322 rounds of golf are played here each year. The average cost to play a round of golf is \$15. The most recently calculated ROI, from FY 2013, was 58%, though this rate has fluctuated over the past several years, dipping as low as 47%. During these years, DNR and the state subsidized over half the cost to offer recreational golf to the public. The price of a round of golf at the Gordonia-Altamaha course would have to be increased from \$15 to \$41 to fully recover the cost to operate the golf course.

**Recommendation: Close the golf course at the Gordonia-Altamaha state park. Explore opportunities to repurpose the land into attractions that will lower operating costs and increase visitation.**

**Department of Natural Resources**

**ZBB Program: Parks, Recreation and Historic Sites**

*Key Activities and Alternative Approach*

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Park Operations</b>	Oversees the day-to-day operations of each park and is responsible for maintaining adequate recreational facilities, educational and outdoor recreation programs.	OCGA 12-3-6	275	\$12,072,073	\$44,896,093	\$0	\$12,072,073
<b>Engineering and Construction</b>	Manages Real Estate purchases, handles inventory management for all real estate, coordinates budgeting of DNR Capital Outlay funding, and manages the expenditures of those funds.	OCGA 12-3-55, OCGA 12-3-93, OCGA 12-3-620	13	1,962,790	1,962,790	0	1,962,790
<b>Advertising and Promotion</b>	Performs branding, advertising and promoting of Georgia state parks through maintaining the parks' websites, media campaigns, public relations, and social media with the goal of increasing visitation and driving revenue.	OCGA 12-3-32		675,254	1,175,254	0	675,254
<i>Total</i>			288	\$14,710,117	\$48,034,137	\$0	\$14,710,117

**Alternative** (Alternative approach to delivering program services as provided by the agency.)

No alternative approaches to service delivery are recommended at this time.

**Department of Natural Resources**

**ZBB Program: Parks, Recreation and Historic Sites**

*Financial Summary*

	Expenditures		FY 2015	Zero Based Budget Review	
Objects of Expenditure	FY 2013	FY 2014	Current Budget	Changes	Recommendation
Personal Services	\$24,313,432	\$19,725,897	\$25,096,910	\$0	\$25,096,910
Regular Operating Expenses	9,558,785	8,877,447	11,048,067	0	11,048,067
Motor Vehicle Purchases	332,484	282,448			
Equipment	124,691	428,704	266,626	0	266,626
Computer Charges	54,182	62,510			
Real Estate Rentals	135,193	46,378	46,378	0	46,378
Telecommunications	906,430	983,084	1,050,854	0	1,050,854
Contractual Services	1,547,830	1,945,320	1,710,894	0	1,710,894
Advertising and Promotion	1,562,558	1,330,724	1,175,254	0	1,175,254
Cost of Material for Resale	2,670,217	1,412,135	2,303,066	0	2,303,066
C.O. New Construction	46,275	148,726	548,000		
Repairs and Maintenance	744,050	984,184	130,000	0	130,000
Land and Water Conservation	594,580	102,966	1,658,088	0	1,658,088
Capital Outlay - Park Pass	3,194,875	3,611,907	3,000,000	0	3,000,000
Transfers		193,286			
Grants - Other	1,601,244	1,722,368			
Non-Operating Expenses - Other		1,100,140			
<b>Total Expenditures</b>	<b>\$47,386,826</b>	<b>\$42,958,224</b>	<b>\$48,034,137</b>	<b>\$0</b>	<b>\$47,486,137</b>
<b>Fund Type</b>					
State General Funds	\$13,255,391	\$13,569,409	\$14,710,117	\$0	\$14,710,117
Federal Funds	2,878,410	2,113,826	1,704,029	0	1,704,029
Other Funds	31,253,025	27,274,989	31,619,991	0	31,619,991
<b>Total Funds</b>	<b>\$47,386,826</b>	<b>\$42,958,224</b>	<b>\$48,034,137</b>	<b>\$0</b>	<b>\$48,034,137</b>
Positions*	333	286	288	0	288
Motor Vehicles	391	391	391	0	391

\* Position counts shown under expenditures reflect the number of salaried, benefit eligible employees as of June 30 of that fiscal year.

## Department of Natural Resources

### ZBB Program: Parks, Recreation and Historic Sites

#### Performance Measures

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##### Agency Purpose:

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

##### Program Purpose:

The purpose of this program is to manage, operate, market, and maintain the state's golf courses, parks, lodges, conference centers, and historic sites.

##### Performance Measures

	Actuals			
	FY 2011	FY 2012	FY 2013	FY 2014
1. Percentage of customer comments indicating their overall park experience was good, very good, or excellent	97%	93%	93%	94%
2. Number of park, recreation, and historic site visitations	8,858,751	9,013,624	8,986,133	7,498,476
3. Average annual occupancy of cottages	42%	43%	40%	44%
4. Average annual occupancy of campsites and yurts	39%	39%	37%	38%
5. Average annual weekend occupancy for cottages	N/A	N/A	N/A	68%
6. Average annual weekend occupancy for campsites and yurts	N/A	N/A	N/A	75%
7. Number of rounds of golf booked	N/A	63,155	67,918	67,789
8. Average return on investment for state parks as a whole	64%	69%	72%	75%
9. Average return of investment for state park golf courses	70%	73%	73%	73%
10. Number of park passes sold	690,630	667,902	656,246	644,643





# **FY 2016 Zero-Based Budget Analysis**

## Georgia Public Defender Standards Council

### ZBB Program: Georgia Public Defender Standards Council

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## ***Georgia Public Defender Standards Council***

# **ZBB Program: Georgia Public Defender Standards Council**

### ***FY 2016 Zero-Based Budget Report***

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#### **Purpose of Review**

The Public Defender Standards Council (PDSC) program consists of four subprograms, Capital Defense, Office of the Mental Health Advocate, Central Office and Conflict Office. This program provides representation to indigent clients charged with a capital felony for which the death penalty is being sought, as well as those who have been found not guilty by reason of insanity or ruled mentally incompetent to stand trial. The purpose of this review is to determine statutory requirements of state funded activities and identify any potential operating efficiencies

#### **Results of Analysis**

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1. Statutory Alignment: Program activities are aligned with statutory responsibilities.
2. Staffing Levels: The program has 49 full-time benefit eligible employees. This is a decrease of eight employees since FY 2013 due to attorney and investigator turnover in the Capital Defender Office.
3. Fleet Management: There are 15 motor vehicles assigned to the program used for attorney and investigator travel.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. The updated measures accurately reflect the performance of the program.
5. Budget Impact: Maintain the current funding level.

#### Program Operations:

6. The Office of the Mental Health Advocate's (OMHA) caseload has increased from 75 to 89 per attorney since FY 2009. When a defendant is found not guilty by reason of insanity (NGRI), or ruled mentally incompetent to stand trial, their case is transferred from the Public Defender's Office to OMHA. The defendants are then committed to a mental health facility under the control and oversight of the Department of Behavioral Health and Disabilities. OMHA is responsible for representing the defendant while they are committed until a judge releases them of their sentence or their commitment to a facility reaches their maximum sentence. OMHA is responsible for visiting their clients once every six months, and each client is allowed one hearing per year in court to have their sentence released. During the recession, paralegal, social worker, and administrative assistant positions were eliminated. PDSC has not restored any administrative positions in OMHA despite the increase in caseload. Currently, attorneys are responsible for their own filings and other clerical duties that are typically performed by support staff in other Public Defenders' offices. Clerical duties now comprise a significant portion of the attorneys' work time.

## **ZBB Program: Georgia Public Defender Standards Council**

### ***FY 2016 Zero-Based Budget Report***

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**Recommendation: Analyze funded vacancies and allocate administrative support to the Office of the Mental Health Advocate if existing funding is determined to be available.**

7. The agency uses certain criteria and an interview process to select private attorneys to handle conflict cases, but does not have administrative rules for minimum requirements to be a conflict attorney. The lack of an established administrative rule that sets minimum criteria for conflict attorneys gives the appearance that a minimum standard does not exist; however, the agency has stated it has an operational standard it utilizes.

**Recommendation: Use the current selection process and criteria as the basis for creating administrative rules for conflict attorney selection.**

## Georgia Public Defender Standards Council

### ZBB Program: Georgia Public Defender Standards Council

#### Key Activities and Alternative Approach

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Capital Defense</b>	Legal representation of indigent defendants charged with a capital felony for which the death penalty is being sought.	OCGA 17-12-12	25	\$3,899,425	\$3,899,425	\$0	\$3,899,425
<b>Mental Health</b>	Legal representation of indigent defendants found not guilty by reason of insanity or ruled mentally incompetent to stand trial.	OCGA 17-12-12	4	739,058	1,079,058	0	739,058
<b>Central Office</b>	Provides administrative support to the agency by performing finance and budget, purchasing, HR and payroll, case assignment and training.	OCGA 17-12-12	16	1,479,675	1,479,675	0	1,479,675
<b>Conflict Offices</b>	Selects and manages contracts of private attorneys handling conflict cases for the agency.	OCGA 17-12-12	4	446,701	446,701	0	446,701
<i>Total</i>			49	\$6,564,859	\$6,904,859	\$0	\$6,564,859

#### Alternative (Alternative approach to delivering program services as provided by the agency)

No alternative approaches to program service delivery are recommended at this time.

**Georgia Public Defender Standards Council**

**ZBB Program: Georgia Public Defender Standards Council**

*Financial Summary*

Objects of Expenditure	Expenditures		FY 2015	Zero Based Budget Review	
	FY 2013	FY 2014	Current Budget	Changes	Recommendation
Personal Services	\$5,450,647	\$5,385,003	\$5,931,253	\$0	\$5,931,253
Regular Operating Expenses	586,363	492,697	270,600	0	270,600
Motor Vehicle Purchases		17,470			
Equipment		11,318			
Computer Charges	230,222	539,715	26,275	0	26,275
Real Estate Rentals	385,806	262,216	187,331	0	187,331
Telecommunications	64,085	68,987	52,100	0	52,100
Contractual Services	1,277,827	1,007,185	437,300	0	437,300
Grants and Benefits	5,565				
<b>Total Expenditures</b>	<b>\$8,000,514</b>	<b>\$7,784,590</b>	<b>\$6,904,859</b>	<b>\$0</b>	<b>\$6,904,859</b>
<b>Fund Type</b>					
State General Funds	\$5,953,567	\$6,375,874	\$6,564,859	\$0	\$6,564,859
Federal Funds	77,295	59,812			
Other Funds	1,969,652	1,348,904	340,000	0	340,000
<b>Total Funds</b>	<b>\$8,000,514</b>	<b>\$7,784,590</b>	<b>\$6,904,859</b>	<b>\$0</b>	<b>\$6,904,859</b>
Positions	57	49	49	0	49
Motor Vehicles	15	15	15	0	15

## Georgia Public Defender Standards Council

### ZBB Program: Georgia Public Defender Standards Council

#### Performance Measures

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**Agency Purpose:**

The Georgia Public Defender Standards Council ensures, independently of political considerations or private interests, that each client whose cause has been entrusted to a circuit public defender receives zealous, adequate, effective, timely and ethical legal representation, consistent with the Constitution of Georgia and the United States.

**Program Purpose:**

The purpose of this program is to provide representation to indigent clients charged with a capital felony for which the death penalty is being sought and for indigent defendants found not guilty by reason of insanity or ruled mentally incompetent to stand trial.

**Performance Measures**

1. Employee turnover rate
2. Number of audit findings
3. Number of trainings offered
4. Percentage of clients contacted at least once per month
5. Capital cases per attorney
6. Mental health cases per attorney

Actuals			
FY 2011	FY 2012	FY 2013	FY 2014
16%	16%	18%	17%
1	0	0	0
13	14	20	17
N/A	99.3%	93.4%	94.0%
N/A	N/A	N/A	6
N/A	N/A	N/A	89



# **FY 2016 Zero-Based Budget Analysis**

## Department of Public Health

### ZBB Program: Departmental Administration

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## ***Department of Public Health***

# **ZBB Program: Departmental Administration**

### ***FY 2016 Zero-Based Budget Report***

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#### **Purpose of Review**

The Department of Public Health (DPH) has centralized finance services and facilities and maintenance within its Departmental Administration program. Overall, the program supports the agency's many services and activities. Since becoming an independent agency in FY 2012, the Department has been working to right-size its staff and establish competitive career paths. Several areas within the Departmental Administration program have undergone extensive reorganizations. The purpose of this review is to analyze the efficiency and effectiveness of activities in the Departmental Administration program. Additionally, a personnel analysis will be conducted to ensure positions are allocated appropriately for expense purposes.

#### **Results of Analysis**

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1. Statutory Alignment: Program activities are aligned with statutory responsibilities.
2. Staffing Levels: The program has 200 full-time benefit eligible employees. See specific recommendations below.
3. Fleet Management: There are 67 vehicles assigned to the program; however, the vehicle number is inaccurate. See specific recommendation below.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. The updated measures accurately reflect the performance of the program.
5. Budget Impact: Reduce the program budget by \$365,487 to reflect transfers of positions to other programs within the Department. See specific recommendations below.

#### **Program Operations:**

6. The budget by object classes does not reflect historical spend patterns.

**Recommendation: Realign the budget to reflect projected expenditures by object classes.**

7. The program's budgeted fleet did not accurately reflect the number of vehicles associated with this program until the fleet inventory was reviewed and reconciled. In total, the agency has 50 vehicles, and there are only five vehicles assigned to this program. Based on the reconciliation, 43 vehicles will be moved to the Public Health Formula Grants to Counties program, and two vehicles will be moved to the Emergency Preparedness/Trauma System Improvement program.



## ***Department of Public Health***

### **ZBB Program: Departmental Administration**

#### ***FY 2016 Zero-Based Budget Report***

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**Recommendation: Perform an annual review of fleet inventory to ensure they are linked to the appropriate program for budget and expense purposes.**

8. One laboratory position is expensed from this program, but it should be allocated to a program associated with laboratory operations.

**Recommendation: Transfer one position and \$138,215 in state funds to the newly established Public Health Laboratory Services program to associate the position with the appropriate laboratory activity.**

9. Two positions are expensed from this program, but the responsibilities of the staff are all programmatic. Similar staff with programmatic responsibilities are expensed from the program most closely associated with their responsibilities.

**Recommendation: Transfer two positions and \$227,272 in state funds to the newly established Infant and Child Health Services program to associate the positions with the appropriate function and to maintain consistency with the way other programmatic positions are expensed.**

10. While the DPH has worked diligently to restructure its workforce, more work is needed to ensure resources are used efficiently.

**Recommendation: Continue with the reorganization process within the Departmental Administration program. Human Resources and Financial Management have undergone this reorganization, but there are still several other areas that could benefit from restructuring.**

11. The Office of the State Inspector General (OIG) is not the central reporting agency for all matters of fraud, waste, and abuse within the state of Georgia. Several state agencies, to include the Department of Human Services, the Department of Community Health, and the Department of Public Health, each have internal investigative divisions established to examine, investigate, and report fraud, waste, and abuse. Without a centralized reporting system or procedure, the depiction of fraud within Georgia's state agencies could often be distorted if solely based on figures presented by the OIG.

**Recommendation: Evaluate the feasibility of a centralized reporting portal to track the number of complaints and investigations involving fraud, waste, and abuse within the state of Georgia.**

## Department of Public Health

### ZBB Program: Departmental Administration

#### Key Activities and Alternative Approach

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Executive Leadership</b>	Executive leadership establishes public health policy within the state. The Public Health Board, legislative affairs, and special projects are also included in this activity.	OCGA 31-2A-1; 31-2A-2; 31-2A-4; 31-2A-15	19	\$1,559,667	\$4,094,315	(\$167,076)	\$1,392,591
<b>District and County Operations</b>	Supports the programmatic and operational responsibilities of the local county boards of health.	OCGA 31-2A-4; 31-2A-8; 31-3-1	69	11,452,453	17,057,351	0	11,452,453
<b>Financial Management</b>	This activity involves managing the financial resources of the Department. It includes budgeting, payroll services, revenue, grants management, and accounting.	OCGA 31-2A-4; 31-2A-8	33	3,528,657	5,255,602	0	3,528,657
<b>Human Resources</b>	Human resources manages the recruitment and retention of staff, workforce development, and training.	OCGA 31-2A-4; 31-2A-7	14	718,500	1,070,138	0	718,500
<b>Information Technology</b>	Maintains the Department's electronic systems, programs, and technological infrastructure.	OCGA 31-2A-4	12	737,443	1,098,352	0	737,443
<b>Communications</b>	Provides internal and external communications, ensuring consistent messaging to general audiences and stakeholders.	OCGA 31-2A-4	9	328,154	488,754	0	328,154
<b>Compliance</b>	This activity includes the Office of the General Counsel, the Office of Audits, and the Office of the Inspector General. It provides legal support services for the Department and ensures compliance with all applicable state and federal regulations.	OCGA 31-2A-4; 31-2A-9	19	1,164,179	1,733,935	0	1,164,179
<b>Operations</b>	Operations includes offices that support the program's administrative functions, including responsibilities such as contracts and procurement, facilities, and fleet management.	OCGA 31-2A-4	25	2,327,269	3,466,248	(198,411)	2,128,858
<i>Total</i>			200	\$21,816,322	\$34,264,695	(365,487)	\$21,450,835

#### Alternative (Alternative approach to delivering program services as provided by the agency)

The Department currently has centralized functions, like Financial Management, and these functions could be decentralized and reallocated to programs; however, this alternative would likely cost more.

**Department of Public Health**

**ZBB Program: Departmental Administration**

*Financial Summary*

	Expenditures		FY 2015	Zero Based Budget Review	
Objects of Expenditure	FY 2013	FY 2014	Current Budget	Changes	Recommendation
Personal Services	\$22,844,565	\$23,000,892	\$23,818,429	(\$365,487)	\$23,452,942
Regular Operating Expenses	986,079	1,490,009	1,683,989	0	1,683,989
Equipment	(34,030)				
Computer Charges	962,086	2,370,748	1,228,727	0	1,228,727
Real Estate Rentals	2,674,077	3,254,662	3,081,134	0	3,081,134
Telecommunications	6,325,712	3,498,098	2,296,222	0	2,296,222
Contractual Services	1,723,675	3,472,081	800,201	0	800,201
Grants and Benefits	1,412,329	1,331,779	1,355,993	0	1,355,993
<b>Total Expenditures</b>	<b>\$36,894,493</b>	<b>\$38,418,268</b>	<b>\$34,264,695</b>	<b>(\$365,487)</b>	<b>\$33,899,208</b>
<b>Fund Type</b>					
State General Funds	\$21,075,582	\$22,004,470	\$21,684,527	(\$365,487)	\$21,319,040
Federal Funds	11,931,748	10,263,984	8,503,373	0	8,503,373
Tobacco Funds	131,795	131,795	131,795	0	131,795
Other Funds	3,755,368	6,018,018	3,945,000	0	3,945,000
<b>Total Funds</b>	<b>\$36,894,493</b>	<b>\$38,418,268</b>	<b>\$34,264,695</b>	<b>(\$365,487)</b>	<b>\$33,899,208</b>
Positions*	196	200	200	(3)	197
Motor Vehicles	67	67	67	(62)	5

\* Position counts shown under expenditures reflect the number of salaried, benefit eligible employees as of June 30 of that fiscal year.

## ***Department of Public Health***

### **ZBB Program: Departmental Administration**

#### ***Performance Measures***

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##### **Agency Purpose:**

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

##### **Program Purpose:**

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

##### **Performance Measures**

1. Number of payments processed
2. Percentage of payments processed electronically
3. Average number of days to process payments
4. Number of audit findings
5. Agency turnover rate
6. Average number of business days to execute a contract
7. Average number of days to complete onboarding of a new hire

Actuals			
FY 2011*	FY 2012	FY 2013	FY 2014
N/A	70,928	58,590	55,921
N/A	41%	39%	71%
N/A	25	35	41
N/A	6	0	N/A
N/A	N/A	16	N/A
N/A	40	35	35
N/A	N/A	N/A	5

\*The Department of Public Health was established as an independent agency beginning in FY 2012, so there is no data available prior to that time.



# **FY 2016 Zero-Based Budget Analysis**

Department of Public Health  
ZBB Program: Infant and Child Essential Health  
Treatment Services

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## ***Department of Public Health***

# **ZBB Program: Infant and Child Essential Health Treatment Services**

## ***FY 2016 Zero-Based Budget Report***

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### **Purpose of Review**

The purpose of this review is to assess whether any consolidation of functions should occur to achieve efficiencies between this program and the Infant and Child Health Promotion program, since both of these programs involve intervention services for infants and children.

### **Results of Analysis**

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1. **Statutory Alignment:** Program activities are aligned with statutory responsibilities.
2. **Staffing Levels:** The program has 25 full-time benefit eligible employees. See specific recommendations below.
3. **Fleet Management:** There are no motor vehicles assigned to the program.
4. **Performance Measures:** OPB worked with the agency to identify metrics for key program activities. The updated measures accurately reflect the performance of the program.
5. **Budget Impact:** Transfer the program budget, including \$20,750,225 in state funds (Total Funds: \$43,580,606) to reflect the alignment of functional activities. See specific recommendation below.

#### **Program Operations:**

6. Both the Infant and Child Health Promotion (ICHP) program and Infant and Child Essential Health Treatment Services (ICEHTS) program provide services along a continuum for infants and children. For example, at-risk infants and children are identified through the Children 1st program in the ICHP program, and they are referred to an appropriate intervention program such as Babies Can't Wait, Children's Medical Services, or the Universal Newborn Hearing Screening and Intervention program. Two of the three services are in the ICEHTS program. The overlap creates financial and process inefficiencies.

**Recommendation: To better represent the integral nature of these services, consolidate the two current child health programs into one program: Infant and Child Health Services. Transfer 25 positions and \$20,750,225 in state funds (Total Funds: \$43,580,606) from the Infant and Child Essential Health Treatment Services program to the Infant and Child Health Promotion program. Rename the Infant and Child Health Promotion program as the "Infant and Child Health Services" program, and establish new subprograms as appropriate.**

7. The budget by object classes does not reflect historical spending patterns.

***Department of Public Health***

**ZBB Program: Infant and Child Essential Health Treatment Services**

***FY 2016 Zero-Based Budget Report***

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**Recommendation: Realign the budget to reflect projected expenditures by object classes.**

8. At the time of this analysis, there was one Women, Infants, and Children (WIC) employee reflected in the Perinatal Health Program rather than the WIC program.

**Recommendation: The agency initiated the process to transition this employee to the WIC program, so the individual is properly expensed going forward. WIC funds will no longer have to be budgeted in the Perinatal Health Program area for this WIC employee.**

9. Children's Medical Services, a program administered by the Department, indicated one of its services to be care coordination, which is also a service performed by Care Management Organizations (CMOs) for children who are insured through Medicaid or low-income families on PeachCare. Since CMOs are already responsible for providing care coordination, it is duplicative for the Department to also provide this service for clients who are insured.

**Recommendation: Evaluate the need for care coordination services, especially for clients that are insured. As appropriate, redirect funds supporting care coordination to other direct services.**

**Department of Public Health**

**ZBB Program: Infant and Child Essential Health Treatment Services**

*Key Activities and Alternative Approach*

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Children's Intervention Services</b>	Children's intervention services provides: 1) Early screening, identification, and intervention/service coordination of children with developmental conditions; 2) care coordination and health support services to children with chronic health conditions; and 3) evaluation, diagnosis, treatment, disease management, and counseling to children with genetic conditions.	OCGA 31-2A-4; 31-12-5; 31-12-6; 31-12-7; Part C, Individuals with Disabilities Education Act (IDEA)	10	\$17,149,160	\$37,956,571	(17,149,160)	\$0
<b>Perinatal Health Program</b>	The Perinatal health program serves to improve birth outcomes as well as the health of women and infants by assisting them in accessing risk appropriate, comprehensive, quality perinatal services. The program also seeks to identify issues to help reduce health disparities among maternal and child health populations within Georgia.	OCGA 31-2A-4	3	1,578,326	2,846,113	(1,578,326)	0
<b>Oral Health Prevention Program (OHPP)</b>	The OHPP services vulnerable populations without access to oral health preventive treatment and oral health literacy education in local health districts within Georgia.	OCGA 31-2A-4	12	2,022,739	2,777,922	(2,022,739)	0
<i>Total</i>			25	\$20,750,225	\$43,580,606	(20,750,225)	\$0

**Alternative** (Alternative approach to delivering program services as provided by the agency)

The agency is exploring how to utilize telehealth/telemedicine capabilities to deliver some of the services in this program. Due to insurance reimbursement issues, it has not been a fiscally viable option up to this point; however, the agency is continuing to collaborate with other governmental entities to resolve the reimbursement constraints. If this alternative option becomes viable, it would increase access to services in the state and offer a new reimbursement pathway for providers.



**Department of Public Health**

**ZBB Program: Infant and Child Essential Health Treatment Services**

*Financial Summary*

<b>Objects of Expenditure</b>	<b>Expenditures</b>		<b>FY 2015</b>	<b>Zero Based Budget Review</b>	
	<b>FY 2013</b>	<b>FY 2014</b>	<b>Current Budget</b>	<b>Changes</b>	<b>Recommendation</b>
Personal Services	\$2,780,546	\$2,358,490	\$2,848,510	(\$2,848,510)	\$0
Regular Operating Expenses	232,004	127,621	408,829	(408,829)	0
Equipment		19,782		0	0
Computer Charges	20,226		5,000	(5,000)	0
Real Estate Rentals		390		0	0
Telecommunications		2,441,390	26,824	(26,824)	0
Contractual Services	10,050,309	7,870,821	7,786,732	(7,786,732)	0
Grants and Benefits	36,334,744	32,127,013	32,504,711	(32,504,711)	0
Other		200,000		0	0
<b>Total Expenditures</b>	<b>\$49,417,829</b>	<b>\$45,145,507</b>	<b>\$43,580,606</b>	<b>(\$43,580,606)</b>	<b>\$0</b>
<b>Fund Type</b>					
State General Funds	\$20,204,483	\$20,694,871	\$20,750,225	(\$20,750,225)	\$0
Federal Funds	28,766,490	24,349,692	22,745,978	(22,745,978)	0
Other Funds	446,856	100,945	84,403	(84,403)	0
<b>Total Funds</b>	<b>\$49,417,829</b>	<b>\$45,145,507</b>	<b>\$43,580,606</b>	<b>(\$43,580,606)</b>	<b>\$0</b>
Positions*	26	25	25	(25)	0

\* Position counts shown under expenditures reflect the number of salaried, benefit eligible employees as of June 30 of that fiscal year.

## Department of Public Health

### ZBB Program: Infant and Child Essential Health Treatment Services

#### Performance Measures

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##### Agency Purpose:

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

##### Program Purpose:

The purpose of this program is to avoid unnecessary health problems in later life by providing comprehensive health services to infants and children.

##### Performance Measures

1. Number of children who received services from the Babies Can't Wait program
2. Number of children who received services from the Children's Medical Services program
3. Percentage of very low birth weight infants (<1500 grams) delivered at facilities for high-risk deliveries and neonates
4. Percentage of third grade children who have received protective sealant on at least one permanent molar tooth

Actuals			
FY 2011	FY 2012	FY 2013	FY 2014

6,015	6,082	7,519	8,185
8,925	8,990	10,983	8,325
73.5%	72.5%	77.1%	N/A
39.0%	37.4%	37.4%	37.4%



# **FY 2016 Zero-Based Budget Analysis**

## Department of Public Health

### ZBB Program: Infant and Child Health Promotion

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## ***Department of Public Health***

# **ZBB Program: Infant and Child Health Promotion**

## ***FY 2016 Zero-Based Budget Report***

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### **Purpose of Review**

The purpose of this review is to assess whether any consolidation of functions should occur to achieve efficiencies between this program and the Infant and Child Essential Health Treatment Services program since both of these programs involve services for infants and children. Additionally, this analysis will include a review of the use of funds provided by the Legislature for Autism intervention activities.

### **Results of Analysis**

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1. Statutory Alignment: Program activities are aligned with statutory responsibilities.
2. Staffing Levels: The program has 127 full-time benefit eligible employees. See specific recommendations below.
3. Fleet Management: There are no motor vehicles assigned to the program.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. The updated measures accurately reflect the performance of the program.
5. Budget Impact: The program budget will increase by \$15,412,835 in state funds but will decrease overall (Total Funds: (\$217,806,703)) due to several transfers to and from this program. See specific recommendations below.

#### Program Operations:

6. The budget by object classes does not reflect historical spending patterns.  
**Recommendation: Realign the budget to reflect projected expenditures by the classes.**
7. Both the Infant and Child Health Promotion (ICHP) program and Infant and Child Essential Health Treatment Services (ICEHTS) program provide services along a continuum for infants and children. For example, at-risk infants and children are identified through the Children 1st program in the ICHP program, and they are referred to an appropriate intervention program such as Babies Can't Wait, Children's Medical Services, or the Universal Newborn Hearing Screening and Intervention program. Two of the three services are in the ICEHTS program. The overlap creates financial and process inefficiencies.

## **ZBB Program: Infant and Child Health Promotion**

### *FY 2016 Zero-Based Budget Report*

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**Recommendation:** To better represent the integral nature of these services, consolidate the two current child health programs into one program: Infant and Child Health Services. Transfer 25 positions and \$20,750,225 in state funds (Total Funds: \$43,580,606) from the Infant and Child Essential Health Treatment Services program to the Infant and Child Health Promotion program. Rename the Infant and Child Health Promotion program as the "Infant and Child Health Services" program, and establish new subprograms as appropriate.

8. Laboratory services are currently separated into four different budgetary programs, which is financially inefficient.

**Recommendation:** Consolidate the laboratory services into a newly established, stand-alone laboratory program called "Public Health Laboratory Services." Establish new subprograms as appropriate. Transfer \$5,564,662 in state funds (Total Funds: \$5,574,512) to the Public Health Laboratory Services program.

9. There are 199 Women, Infants, and Children (WIC) clinics in the state, while there are only 159 counties, indicating that there are multiple WIC clinics in certain counties.

**Recommendation:** Determine if the clinic sites are strategically located based on client volume, need, and geographic accessibility. Evaluate if this many clinic locations are needed and if it would be more beneficial to redistribute the funding to services.

10. During ZBB discussions, program staff indicated they would like to develop and administer a satisfaction survey for WIC clients. The surveys would assist the program in determining satisfaction with service delivery and if program processes need to be modified.

**Recommendation:** Proceed with the development and administration of a survey to WIC clients on an annual basis to evaluate program success.

11. The Legislature provided DPH with \$490,000 in FY 2015 to support early autism intervention providers with early detection and diagnosis of autism in children as well as supporting families receiving early intervention services. DPH is using the funding to provide families with positive behavior and visual supports training. Additionally, providers will receive developmental screening training as well as access to online training developed by the Marcus Autism Institute.

**Recommendation:** Establish an interagency task force to coordinate these early intervention services since several other agencies work on early intervention initiatives for this population. Additionally, establish a lead agency for autism initiatives.

12. At the time of this analysis, there were eight WIC personnel reflected in the Comprehensive Child Health area rather than the WIC program.

**Recommendation:** The agency initiated the process to transition those eight employees to the WIC program, so they are properly expensed going forward. WIC funds will no longer have to be budgeted in the Comprehensive Child Health area for these WIC employees.

## ***Department of Public Health***

### **ZBB Program: Infant and Child Health Promotion**

#### ***FY 2016 Zero-Based Budget Report***

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13. At the time of this analysis, there was one WIC employee reflected in the Infant and Child Essential Health Treatment Services Program, in the Perinatal Health Program, rather than the Infant and Child Health Promotion program, which includes the WIC program.

**Recommendation: The agency initiated the process to transition this employee to the WIC program, so the individual is properly expensed going forward. WIC funds will no longer have to be budgeted in the Perinatal Health Program area for this WIC employee.**

14. Two positions expensed from the Departmental Administration program need to be moved to this program since the responsibilities of the staff are all programmatic. Similar staff with programmatic responsibilities are expensed from the program most closely associated with their responsibilities.

**Recommendation: Transfer two positions and \$227,272 in state funds to the newly established Infant and Child Health Services program to associate the positions with the appropriate function and to maintain consistency with the way other programmatic positions are expensed.**

15. In consolidating ICHP and ICEHTS into the new "Infant and Child Health Services" program, WIC activities should be placed in their own stand-alone program since WIC activities are nutrition services as opposed to traditional health services.

**Recommendation: Transfer 71 positions and \$255,990,932 in federal funds (Total funds: \$256,040,069) to the newly established "Women, Infants, and Children Nutrition Services" program.**

16. The Healthy, Hunger-Free Kids Act of 2010 requires all states to fully implement electronic benefits transfer (EBT) systems for WIC benefits by October 1, 2020. In a recent issue brief from Federal Funds Information for States, Georgia was one of only two states indicated as making "no progress" toward the WIC EBT system. Additionally, Georgia's WIC program has not applied for WIC EBT technology grant opportunities through the USDA's Food and Nutrition Service, funding that is specifically for EBT system planning and implementation.

**Recommendation: Establish planning documents for Georgia's WIC EBT system, so DPH can apply for future grant opportunities to support the large scale WIC EBT system project. The Department has also initiated a capital request for a centralized clinical management system, which will not only improve internal billing processes, but it will be a critical component of the WIC EBT system project.**

## Department of Public Health

# ZBB Program: Infant and Child Health Promotion

## Key Activities and Alternative Approach

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Newborn Laboratory Screening</b>	The Georgia Public Health Laboratory (GPHL) plays a critical role in Georgia's Newborn Screening Program. The GPHL performs laboratory testing to screen every infant in the state of Georgia for 28 genetic disorders in support of public health's comprehensive, coordinated, statewide screening and referral system. Newborn Screening is currently implementing laboratory testing for Severe Combined Immunodeficiency (SCID). This activity promotes screening and appropriate follow-up for all newborns through education, technical assistance, and training.	OCGA 31-2A-4; 31-12-6; 31-12-7	19	\$5,564,662	\$5,574,512	(5,564,662)	\$0
<b>Comprehensive Child Health</b>	Coordinated screening and follow-up system for newborns, and infants at risk for severe heritable conditions and hearing impairment.	OCGA 31-2A-4; 31-1-3; 31-12-6; 31-12-7	37	3,268,124	10,934,038	227,272	3,495,396
<b>Children 1st</b>	Early identification system that serves as the single point of entry for public health and intervention based programs and services. Newborns, infants, and children identified through program screening or external screening are referred to appropriate intervention based programs and services.	OCGA 31-2A-4; 31-12-6		3,927,277	3,927,277	0	3,927,277
<b>WIC Voucher Issuance</b>	Vouchers are issued to clients to buy healthy foods from WIC authorized vendors.	Code of Federal Regulations, 7 C.F.R. Part 246	3		233,169,605	0	0
<b>WIC Nutrition Services</b>	As a requirement of the WIC program, clients must participate in nutrition education. Both group and individual nutrition education classes are offered. Additionally, the nutrition portion of WIC must be reviewed every two years as part of overall program monitoring.	Code of Federal Regulations, 7 C.F.R. Part 246	1		3,572,888	0	0

**Department of Public Health**

**ZBB Program: Infant and Child Health Promotion**

*Key Activities and Alternative Approach*

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>WIC Vendor Management</b>	Vendor Management includes all of the activities involved in becoming and remaining a WIC-authorized vendor.	Code of Federal Regulations, 7 C.F.R. Part 249	12		1,178,333	0	0
<b>WIC Quality Assurance (QA)/Fraud Prevention</b>	In an effort to reduce fraud, this activity includes compliance investigators and quality assurance specialists working to investigate complaints against WIC vendors.	Code of Federal Regulations, 7 C.F.R. Part 248	32		2,456,932	0	0
<b>WIC Administration</b>	WIC Administration includes key personnel and operations, ensuring oversight of the program's activities.	Code of Federal Regulations, 7 C.F.R. Part 245	23		15,662,311	0	0
<b>Transfers from the Infant and Child Essential Health Treatment Services program*</b>							
<b>Children's Intervention Services</b>	Children's intervention services provides: 1) Early screening, identification, and intervention/service coordination of children with developmental conditions; 2) care coordination and health support services to children with chronic health conditions; and 3) evaluation, diagnosis, treatment, disease management, and counseling to children with genetic conditions.	OCGA 31-2A-4; 31-12-5; 31-12-6; 31-12-7; Part C, Individuals with Disabilities Education Act (IDEA)				17,149,160	17,149,160
<b>Perinatal Health Program</b>	The Perinatal health program serves to improve birth outcomes as well as the health of women and infants by assisting them in accessing risk appropriate, comprehensive, quality perinatal services. The program also seeks to identify issues to help reduce health disparities among maternal and child health populations within Georgia.	OCGA 31-2A-4				1,578,326	1,578,326



**Department of Public Health**

**ZBB Program: Infant and Child Health Promotion**

*Key Activities and Alternative Approach*

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Oral Health Prevention Program (OHPP)</b>	The OHPP services vulnerable populations without access to oral health preventive treatment and oral health literacy education in local health districts within Georgia.	OCGA 31-2A-4				2,022,739	2,022,739
<i>Total</i>			127	\$12,760,063	\$276,475,896	\$15,412,835	\$28,172,898

**Alternative** (Alternative approach to delivering program services as provided by the agency)

Contract out services like educational activities and follow-up services, although the cost may be the same or higher. Contracting out services may also diminish the quality of service provided.

\*The key activities reflected are from the Infant and Child Essential Health Treatment Services program. As part of the ZBB recommendation, this program is being consolidated with Infant and Child Health Promotion and will be renamed "Infant and Child Health Services."

**Department of Public Health**

**ZBB Program: Infant and Child Health Promotion**

*Financial Summary*

	Expenditures		FY 2015	Zero Based Budget Review	
Objects of Expenditure	FY 2013	FY 2014	Current Budget	Changes	Recommendation
Personal Services	\$9,503,696	\$10,390,139	\$12,773,442	(\$5,769,282)	\$7,004,160
Regular Operating Expenses	5,741,685	6,000,812	5,934,985	(4,712,412)	1,222,573
Equipment	71,049	162,064	161,260	(161,260)	0
Computer Charges	245,490	277,617	722,307	(678,617)	43,690
Real Estate Rentals		12,678	3,132	0	3,132
Telecommunications	1,086,464	1,075,735	334,500	(283,358)	51,142
Contractual Services	12,140,515	8,903,825	14,846,761	(2,609,941)	12,236,820
Grants and Benefits	290,489,630	260,622,559	241,699,509	(203,591,833)	38,107,676
<b>Total Expenditures</b>	<b>\$319,278,529</b>	<b>\$287,445,429</b>	<b>\$276,475,896</b>	<b>(\$217,806,703)</b>	<b>\$58,669,193</b>
<b>Fund Type</b>					
State General Funds	\$12,175,843	\$12,192,488	\$12,760,063	\$15,412,835	\$28,172,898
Federal Funds	254,337,219	204,081,041	263,629,246	(233,254,804)	30,374,442
Other Funds	52,765,467	71,171,899	86,587	35,266	121,853
<b>Total Funds</b>	<b>\$319,278,529</b>	<b>\$287,445,429</b>	<b>\$276,475,896</b>	<b>(\$217,806,703)</b>	<b>\$58,669,193</b>
Positions*	117	127	127	(63)	64

\* Position counts shown under expenditures reflect the number of salaried, benefit eligible employees as of June 30 of that fiscal year.

**Notes related to recommended changes:**

(1) Consolidate the Infant and Child Essential Health Treatment Services program with the Infant and Child Health Promotion program, and rename the program the "Infant and Child Health Services" program. Transfer funds and 25 positions from the Infant and Child Essential Health Treatment Services program to align program functions (Total funds: \$43,580,606).

(2) Establish a new Public Health Laboratory Services program, and transfer funds and 19 positions to align program functions (Total funds: (\$5,574,512)).

(3) Transfer funds and two positions to the Infant and Child Health Services program to align program functions (Total funds: (\$227,272)).

(4) Establish a new Women, Infants, and Children Nutrition Services program, and transfer funds and 71 positions to align program functions (Total funds: (\$256,040,069)).

## Department of Public Health

### ZBB Program: Infant and Child Health Promotion

#### Performance Measures

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**Agency Purpose:**

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

**Program Purpose:**

The purpose of this program is to provide education and services to promote health and nutrition for infants and children.

**Performance Measures**

	Actuals			
	FY 2011	FY 2012	FY 2013	FY 2014
1. Number of newborn screenings performed	150,593	147,501	144,681	146,982
2. Average laboratory turnaround time for newborn screening (in days)	N/A	3	2.4	2.4
3. Amount of laboratory revenue collected for newborn screenings and remitted to Treasury	\$6,716,534	\$7,448,067	\$7,191,768	\$7,114,733
4. Percentage of newborn screenings referred to follow-up	5.2%	5.5%	5.2%	4.9%
5. Percentage of newborns who received a hearing screening	73%	91%	95%	91%
6. Number of children who received assessment from Children's 1st program	14,938	12,590	8,740	7,613
7. Number of pregnant women, infants, and children served by the Women, Infants, and Children (WIC) program (per federal fiscal year)	305,298	303,875	289,524	N/A
8. Percentage of WIC program infants who were ever breastfed (per federal fiscal year)	56.66%	57.19%	57.80%	N/A
9. Average food package cost per WIC participant (per federal fiscal year)	\$61.88	\$56.06	\$45.47	N/A
10. Percentage of WIC program children with a healthy body mass index (per federal fiscal year)	64.40%	65.14%	63.30%	N/A
11. Percentage of WIC program children with a body mass index categorized as overweight or obese (per federal fiscal year)	32.22%	31.43%	30.84%	N/A



# **FY 2016 Zero-Based Budget Analysis**

## Department of Public Safety

### ZBB Program: Aviation

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## ***Department of Public Safety***

### **ZBB Program: Aviation**

#### ***FY 2016 Zero-Based Budget Report***

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#### **Purpose of Review**

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In 2009, Senate Bill 85 consolidated the aviation assets of the Department of Public Safety (DPS), Department of Transportation, Georgia Forestry Commission, and the Department of Natural Resources under the Georgia Aviation Authority with the intent to increase efficiency by reducing staff and fleet size. In 2011, House Bill 414 transferred aviation assets back to DPS, after having found that a centralized fleet hindered public safety missions. The Aviation program assists state and local authorities in search and rescue missions, fugitive apprehension, aerial photography, surveillance and observation, marijuana eradication, high speed pursuits, fire suppression, and transport flights to conduct state business. The purpose of this review is to evaluate the cost-effectiveness of the key activities of the Georgia State Patrol's (GSP) Aviation program and recommend operational changes that will promote efficiency.

#### **Results of Analysis**

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1. Statutory Alignment: Program activities are aligned with statutory responsibilities.
2. Staffing Levels: The program has 21 full-time benefit eligible employees.
3. Fleet Management: There are 38 motor vehicles assigned to the program, which includes: six Bell 407 helicopters, one Bell 429 helicopter, one Bell 206 helicopter, five Bell OH-58 helicopters, and one Cessna 182 airplane.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. The updated measures accurately reflect the performance of the program.
5. Budget Impact: Maintain the current funding level.

**Department of Public Safety**  
**ZBB Program: Aviation**

*FY 2016 Zero-Based Budget Report*

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Program Operations:

6. DPS maintains six hangers with multiple helicopters to provide 24/7 service for both state and local authorities. Historically, GSP did not have a standardized fleet, which limited the capabilities of each hanger. The program has recently moved toward a standardized fleet by having a minimum of one Bell 407 and one Bell OH-58 at each hanger. The Bell 407 helicopters are multifunctional and capable of executing search and rescue missions, fugitive apprehension missions, surveillance, aerial photography, marijuana eradication, fire suppression, SWAT missions, and transport flights to conduct state business. Bell OH-58 helicopters were received from military surplus and are primarily used for marijuana eradication and surveillance missions. Additionally, GSP has recently purchased a Bell 429 helicopter which is a larger twin engine model. It will replace the Bell 407 in a South Georgia hanger due to its ability to carry large amounts of water for fire suppression missions. It will also provide the same functionality of a 407 and provide a means for SWAT team deployment due to its larger and more versatile cabin.

**Recommendation: Maintain the current fleet structure as it has resulted in the most efficient use of program resources.**

7. The program currently contracts for OH-58 helicopter turbine repairs to private vendors, although program mechanics have the knowledge, skills, and tools to repair turbines at lower costs to the program. Contracting for repairs can cost over \$100,000 and can take over a month to return the helicopter to active duty, while an in-house repair could restore the aircraft in one to two days.

**Recommendation: Evaluate the cost-benefit of making turbine repairs in-house compared to contracting out repairs to a private vendor. Agency concurs with this recommendation and shall request bond funding for one spare OH-58 helicopter turbine.**

8. Tactical flight officers' (TFO) primary functions are providing ground support for pilots, managing the radio, and operating forward looking infrared (FLIR) cameras and spotlights to search for missing persons and fugitives. Currently, each region has designated personnel who are on-call to serve as TFOs for missions requiring flight support. The program is considering converting five troopers into full-time TFOs, placing one at each hanger. A review of flight activity suggests that full-time TFOs may not be the most efficient use of personnel and resources. In the Northern region, the Kennesaw and Gainesville hangers conduct 90% of searches, while in the Southern region the Perry and Reidsville hangers conduct 84% of searches. Meanwhile, the Albany and Augusta hangers account for less than 20% of all search related missions in their respective regions. The state invests a substantial amount of resources into training troopers for highway enforcement. It takes approximately one year for a trooper to be trained for their responsibilities. Therefore it is not warranted to utilize experienced troopers as TFOs.

**Recommendation: Evaluate flight volume to justify the costs of adding five P.O.S.T. mandated officers (non-Troopers) as full-time TFOs compared to the current method of having troopers and auxillary personnel on-call to fulfill TFO responsibilities.**

## Department of Public Safety

### ZBB Program: Aviation

#### Key Activities and Alternative Approach

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Public Safety</b>	Enforces the laws of the State of Georgia and provides public safety services through search and apprehension missions, search and rescue missions, emergency medical transport, and transport flights to conduct state business.	OCGA 35-2-140	10	\$2,315,992	\$5,035,230	\$0	\$2,315,992
<b>Aircraft Maintenance</b>	Maintains and repairs all aviation assets assigned to the Department of Public Safety.	OCGA 35-2-140	5	1,271,324	1,275,234	0	1,271,324
<b>Administration</b>	Provides clerical and organizational support for the program.	OCGA 35-2-140	1	270,440	272,689	0	270,440
<b>Governor's Task Force</b>	Works to eradicate domestic marijuana within the State of Georgia and to gather intelligence relating to its manufacture and cultivation.	OCGA 35-2-140	5	41,043	338,681	0	41,043
<i>Total</i>			21	\$3,898,799	\$6,921,833	\$0	\$3,898,799

#### Alternative (Alternative approach to delivering program services as provided by the agency)

No alternative approaches to program service delivery are recommended at this time.

**Department of Public Safety**  
**ZBB Program: Aviation**

*Financial Summary*

<b>Objects of Expenditure</b>	<b>Expenditures</b>		<b>FY 2015</b>	<b>Zero Based Budget Review</b>	
	<b>FY 2013</b>	<b>FY 2014</b>	<b>Current Budget</b>	<b>Changes</b>	<b>Recommendation</b>
Personal Services	\$2,101,577	\$2,056,912	\$4,073,821	\$0	\$4,073,821
Regular Operating Expenses	1,516,868	1,782,357	126,389	0	126,389
Motor Vehicle Purchases	4,800,000	2,680,000	2,680,000	0	2,680,000
Equipment	5,472	9,955			
Computer Charges	10,891	48,518	546	0	546
Real Estate Rentals	44,933				
Telecommunications	62,006	34,981	41,077	0	41,077
Contractual Services	50,375	2,234			
Troop and Post Repairs	742	7,658			
<b>Total Expenditures</b>	<b>\$8,592,864</b>	<b>\$6,622,616</b>	<b>\$6,921,833</b>	<b>\$0</b>	<b>\$6,921,833</b>
<b>Fund Type</b>					
State General Funds	\$3,115,034	\$3,272,917	\$3,898,799	\$0	\$3,898,799
Federal Funds	249,884	145,492	243,034	0	243,034
Other Funds	5,227,946	3,204,207	2,780,000	0	2,780,000
<b>Total Funds</b>	<b>\$8,592,864</b>	<b>\$6,622,616</b>	<b>\$6,921,833</b>	<b>\$0</b>	<b>\$6,921,833</b>
Positions*	20	21	21	0	21
Motor Vehicles	37	37	38	0	38

\* Position counts shown under expenditures reflect the number of salaried, benefit eligible employees as of June 30 of that fiscal year.



## Department of Public Safety

### ZBB Program: Aviation

#### Performance Measures

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##### Agency Purpose:

The Georgia Department of Public Safety (DPS) is the parent agency of the Georgia State Patrol (GSP). Its responsibilities include patrolling public roads and highways and investigating traffic accidents within the State of Georgia, thereby safeguarding the lives and property of the public. The Department's troopers work to reduce accidents and injuries by enforcing traffic laws, encouraging seat belt use, and targeting drivers under the influence of drugs and alcohol. In addition, the Department provides law enforcement assistance to other local and state agencies of the criminal justice community in areas such as specialty units, fugitive apprehension, and Homeland Security.

##### Program Purpose:

The purpose of this program is to provide aerial support for search and rescue missions and search and apprehension missions in criminal pursuits within the State of Georgia; to provide transport flights to conduct state business, for emergency medical transport, and to support local and federal agencies in public safety efforts with aerial surveillance and observation.

##### Performance Measures

	Actuals			
	FY 2011	FY 2012	FY 2013	FY 2014
1. Number of missions flown	N/A	1,388	1,451	1,622
2. Percentage of individuals found through general searches (both criminal and search and rescue combined)	N/A	52%	55%	60%
3. Total flight hours for training	323	296	344	407
4. Total flight hours for Governor's Task Force	866	919	886	580
5. Total flight hours for general searches (both criminal and search and rescue combined)	503	546	453	483
6. Total flight hours for property search and surveillance	288	212	145	146
7. Total flight hours for aerial photography	116	89	86	135
8. Average response time of missions in minutes	N/A	N/A	N/A	45



# **FY 2016 Zero-Based Budget Analysis**

## Department of Public Safety

### ZBB Program: Motor Carrier Compliance Division

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## ***Department of Public Safety***

# **ZBB Program: Motor Carrier Compliance Division**

### ***FY 2016 Zero-Based Budget Report***

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#### **Purpose of Review**

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In 2005, House Bill 501 dissolved the Department of Motor Vehicles and transferred law enforcement authority, including the Motor Carrier Compliance Division (MCCD), to the Department of Public Safety (DPS). In 2013, House Bill 323 transferred regulation and enforcement of laws related to limousine carriers, movers of household goods, and non-consensual towing from the Public Service Commission to the Department of Public Safety's MCCD program. The purpose of this review is to evaluate the cost-effectiveness of the key activities of the Motor Carrier Compliance Division program and recommend operational changes that will promote efficiency.

#### **Results of Analysis**

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1. Statutory Alignment: Program activities are aligned with statutory responsibilities.
2. Staffing Levels: The program has 324 full-time benefit eligible employees.
3. Fleet Management: There are 240 motor vehicles assigned to the program.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. The updated measures accurately reflect the performance of the program.
5. Budget Impact: Maintain the current funding level.

#### Program Operations:

6. Currently, weigh stations in Catoosa, Columbia, and Monroe counties have the highest levels of Commercial Motor Vehicle (CMV) volume and produce the most citation revenue in the state. However, these weigh stations have the lowest number of weighmasters compared to the rest of the state.

**Recommendation: Evaluate staffing retention for weighmasters over the next year in areas of high CMV volume. The evaluation result shall determine if additional measures for recruitment and retention are necessary to maximize weigh station operating hours in high traffic areas.**

7. Georgia's growth as the economic hub of the southeast has substantially increased CMV volume at the Bryan, Chatham, Columbia, and Monroe county weigh stations, but these weigh stations lack the personnel to provide adequate coverage for the increase in traffic. In addition, this corridor is expected to experience increased CMV volume with the expansion of the Port of Savannah.

**Recommendation: Continue to develop a staffing plan to prepare for the increase of CMVs due to economic growth and the expansion of the Port of Savannah.**

## ***Department of Public Safety***

### **ZBB Program: Motor Carrier Compliance Division**

#### ***FY 2016 Zero-Based Budget Report***

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8. The Georgia Department of Transportation (GDOT) owns each of the 19 weigh stations in the state. This ownership, in conjunction with the previous inclusion of MCCC enforcement in GDOT, provided GDOT the responsibility of entering into agreements for electronic clearance system (ECS) contracts. Since 2006, GDOT has maintained an agreement with a non-profit organization that allows registered transponder-equipped commercial vehicles to bypass designated weigh stations. GDOT establishes screening criteria used to determine which trucking companies are eligible to enroll in the clearance program, while the non-profit organization (NPO) maintains a database of registered companies and their corresponding safety ratings. In addition, the NPO furnishes transponders, transponder reading systems, and services all of its equipment in Georgia. This agreement places a substantial emphasis on mainline Weigh In Motion Scales (WIMS), which the state intended to, but did not, install due to the economic downturn during the recession. Without WIMS, the program cannot operate as intended and prevents registered officers from weighing and inspecting non-compliant vehicles. DPS is now the primary law enforcement provider since the statutory change in 2005. Recently, MCCC has conducted specialized enforcement details which required all trucks to be weighed and found that 36% of overweight vehicles and 70% of safety violations were bypass approved carriers.
- Recommendation: Transfer sole authority to negotiate ECS contracts from GDOT to DPS. DPS shall be the sole authority for entering into ECS contracts due to their law enforcement responsibility of motor carriers. DPS shall evaluate current ECS providers to determine if the state should renew the agreements, or if the state should pursue an alternative ECS that does not require mainline WIMS. Recently, DPS has entered into an agreement with another ECS provider that accomplishes the same goal but gives enforcement officers greater discretion in determining which trucks need to be weighed compared to GDOT's provider. DPS shall consider using their alternate system as the primary ECS for commercial motor vehicles.**
9. The Governor's Severe Weather Warning and Preparedness Task Force recommended MCCC consider the following initiatives: develop reciprocal agreements on weigh station waivers with neighboring states for use during restoration events; undertake periodic, concentrated patrols to enforce CMV restrictions inside the I-285 perimeter; and maintain a command center for housing equipment, supplies, and a staging area for law enforcement personnel.
- Recommendation: Implement the recommendations of the Governor's Severe Weather Warning and Preparedness Task Force.**

**Department of Public Safety**

**ZBB Program: Motor Carrier Compliance Division**

*Key Activities and Alternative Approach*

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Inspection</b>	Conducts safety inspections and enforces regulations and laws related to commercial motor carriers, shipments of hazardous materials, and overweight and oversized loads. This activity is funded primarily through State General Funds, Motor Carrier Safety Assistance Program federal funds, Unified Carrier Registration revenue, and high priority federal grants.	OCGA 35-2-101; 40-1-8; 40-1-101	124	\$4,919,499	\$12,485,186	\$0	\$4,919,499
<b>Weigh Stations</b>	Enforces noncriminal and criminal provisions relating to commercial motor vehicle safety, weight, registration, size, and load and assesses a civil penalty for a violation of such provisions. This activity is funded primarily through GDOT permit funds and State General Funds.	OCGA 35-2-102	87	2,103,872	3,574,561	0	2,103,872
<b>Administration</b>	Manages budget, finance, legal issues, policy development, program management, project management, customer service, IT management, and departmental coordination. This activity is funded primarily through miscellaneous revenue, asset forfeiture, and State General Funds.	OCGA 35-2-101; 40-1-8; 40-1-101	70	2,639,734	6,308,252	0	2,639,734
<b>Regulatory Compliance</b>	Issues certification and collects fines and fees related to motor carriers of household goods, tow trucks, and passenger carriers. This activity is funded primarily through State General Funds and Non-Consensual Towing fees.	OCGA 35-2-101; 40-1-8; 40-1-101; 40-1-112; 40-1-154	10	250,473	313,779	0	250,473
<b>High Occupancy Vehicle (HOV)/High Occupancy Toll (HOT) Lane Enforcement</b>	Provides enforcement and support for State Regional Transportation Authority (SRTA) HOT and HOV lanes. This activity is funded primarily through GDOT permit funds and SRTA funds.	OCGA 35-2-101; 40-1-8; 40-1-101	15	0	348,831	0	0
<b>New Entrant Safety Audits</b>	Conducts safety inspections, audits, and training of new entrant motor carriers to ensure compliance with state and federal regulations. This activity is funded primarily through Federal New Entrant grants.	OCGA 35-2-101; 40-1-8; 40-1-101	15	0	1,391,151	0	0

**Department of Public Safety**

**ZBB Program: Motor Carrier Compliance Division**

*Key Activities and Alternative Approach*

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
School Buses	Issues certification and enforces regulations related to school buses. This activity is funded primarily through GDOT permit funds.	OCGA 35-2-101; 40-1-8; 40-1-101	3	0	134,576	0	0
<i>Total</i>			324	\$9,913,578	\$24,556,336	\$0	\$9,913,578

**Alternative** (Alternative approach to delivering program services as provided by the agency)

No alternative approaches to program service delivery are recommended at this time.

**Department of Public Safety**

**ZBB Program: Motor Carrier Compliance Division**

*Financial Summary*

<b>Objects of Expenditure</b>	<b>Expenditures</b>		<b>FY 2015</b>	<b>Zero Based Budget Review</b>	
	<b>FY 2013</b>	<b>FY 2014</b>	<b>Current Budget</b>	<b>Changes</b>	<b>Recommendation</b>
Personal Services	\$21,274,270	\$21,122,098	\$24,108,198	\$0	\$24,108,198
Regular Operating Expenses	2,815,069	2,974,794	163,068	0	163,068
Motor Vehicle Purchases	652,765	146,577	124,956	0	124,956
Equipment	708,219	174,446	5,850	0	5,850
Computer Charges	689,962	678,662	26,720	0	26,720
Real Estate Rentals	116,845	57,919	2,400	0	2,400
Telecommunications	370,447	301,512	98,644	0	98,644
Contractual Services	175,339	164,862	26,500	0	26,500
Troop and Post Repairs		2,436			
<b>Total Expenditures</b>	<b>\$26,802,916</b>	<b>\$25,623,308</b>	<b>\$24,556,336</b>	<b>\$0</b>	<b>\$24,556,336</b>
<b>Fund Type</b>					
State General Funds	\$3,912,323	\$8,697,945	\$9,913,578	\$0	\$9,913,578
Federal Funds	7,911,355	9,208,663	3,827,142	0	3,827,142
Other Funds	14,979,238	7,716,700	10,815,616	0	10,815,616
<b>Total Funds</b>	<b>\$26,802,916</b>	<b>\$25,623,308</b>	<b>\$24,556,336</b>	<b>\$0</b>	<b>\$24,556,336</b>
Positions*	310	324	324	0	324
Motor Vehicles	240	240	240	0	240

\* Position counts shown under expenditures reflect the number of salaried, benefit eligible employees as of June 30 of that fiscal year.

## ***Department of Public Safety***

### **ZBB Program: Motor Carrier Compliance Division**

#### ***Performance Measures***

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##### **Agency Purpose:**

The Georgia Department of Public Safety (DPS) is the parent agency of the Georgia State Patrol (GSP). Its responsibilities include patrolling public roads and highways and investigating traffic accidents within the State of Georgia, thereby safeguarding the lives and property of the public. The Department's troopers work to reduce accidents and injuries by enforcing traffic laws, encouraging seat belt use, and targeting drivers under the influence of drugs and alcohol. In addition, the Department provides law enforcement assistance to other local and state agencies of the criminal justice community in areas such as specialty units, fugitive apprehension, and Homeland Security.

##### **Program Purpose:**

The purpose of this program is to provide inspection, regulation, and enforcement for size, weight, and safety standards as well as traffic and criminal laws for commercial motor carriers, limousines, non-consensual tow trucks, household goods movers, all buses, and large passenger vehicles as well as providing High Occupancy Vehicle and High Occupancy Toll lane use restriction enforcement.

##### **Performance Measures**

1. Number of commercial vehicle inspections
2. Total inspection violations written
3. Percentage of school buses found to have serious defects as a result of inspections
4. Number of vehicles weighed
5. Number of overweight citations written
6. Number of HOV/HOT Lane violations written
7. Percentage of time weigh stations are open

Actuals			
FY 2011	FY 2012	FY 2013	FY 2014
100,877	85,768	80,869	82,499
246,736	164,554	133,510	161,383
14%	13.35%	17%	12%
6,827,375	8,083,469	14,259,670	13,050,385
38,523	42,798	50,773	41,852
7,986	6,405	1,593	2,992
40%	43%	60%	52%





# **FY 2016 Zero-Based Budget Analysis**

## Public Service Commission

### ZBB Program: Commission Administration

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## ***Public Service Commission***

# **ZBB Program: Commission Administration**

## ***FY 2016 Zero-Based Budget Report***

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### **Purpose of Review**

The Commission Administration program provides internal support to the Public Service Commission (PSC) including personnel management, financial management, scheduling, and recording Commission proceedings, and public, media, and legislative relations. The purpose of this review is to evaluate the effectiveness and efficiency of activities performed in the Commission Administration program.

### **Results of Analysis**

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1. Statutory Alignment: Program activities are aligned with statutory requirements.
2. Staffing Levels: The program has 11 full-time benefit eligible employees.
3. Fleet Management: There are no motor vehicles assigned to the program.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. The agency should continue to report the data for the metrics in a timely manner.
5. Budget Impact: Maintain the current funding level.

#### Program Operations:

6. The Commission Administration program budget includes funding from state, federal, and other fund sources. State funds are reported in the appropriation bill; however, the agency typically amends federal and other funds to the budget in the third and fourth quarters of the fiscal year. To more accurately reflect budget and expenditures throughout the fiscal year, the Commission should update the Annual Operating Budget (AOB) each quarter.

**Recommendation: Comply with the Office of Planning and Budget's AOB instructions and submit quarterly amendments to more accurately reflect federal and other funds.**

7. The PSC is one of a few state agencies that is not on the statewide accounting system known as TeamWorks Financials and must maintain and perform upkeep on its current system. The State Accounting Office (SAO) provides training and guidance for the TeamWorks Financials application, which processes transactions for 87 agencies. The Financials application provides the state the ability to monitor and verify agency expenditures. The agency currently has two budget staff with minimal TeamWorks Financials experience.

**Recommendation: Given the current project workload at the SAO, begin the PSC's migration to the TeamWorks Financials System in FY 2017. At that time, increase funds by \$100,000 to add one position for the migration of all budget and accounting activities to the TeamWorks Financials System with the SAO.**

**Public Service Commission**

**ZBB Program: Commission Administration**

*Key Activities and Alternative Approach*

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Executive Management</b>	Manage key activities and business functions to ensure the agency's ability to fulfill responsibilities, including planning, directing, organizing, and controlling.	OCGA 46-2 et seq.	1	\$177,445	\$190,158	\$0	\$177,445
<b>Public Information and Government Affairs</b>	Responsible for the dissemination of information via press releases, advisories and other formats via web site, email, or mail. They are also responsible for assisting legislators and other governmental entities with formal and informal requests for information and interacting with the media, general public, and trade associations.	OCGA 46-2 et seq.	2	237,174	254,159	0	237,174
<b>Budget and Fiscal Affairs</b>	Manage fiscal and fiduciary matters, including budget requests and management, cash management, internal accounting, administrative controls, and interacting with governmental auditors and budget offices.	OCGA 46-2 et seq.	2	235,746	252,628	0	235,746
<b>Human Resource Management</b>	Responsible for benefits and payroll, hiring, workforce planning, and other personnel matters.	OCGA 46-2 et seq.	1	78,896	84,546	0	78,896
<b>Records and Case Management</b>	Responsible for scheduling, noticing and managing the PSC hearings, processing and electronically maintaining all docket filings, processing orders, maintaining electronic access to records, and agency-specific applications.	OCGA 46-2 et seq.	3	300,452	321,886	0	300,452
<b>Asset and Systems Management</b>	Responsible for procurement, risk management, fleet and facilities management, system and physical security, and system operations and user support.	OCGA 46-2 et seq.	2	137,344	147,180	0	137,344
<i>Total</i>			11	\$1,167,057	\$1,250,557	\$0	\$1,167,057

**Alternative** (Alternative approach to delivering program services as provided by the agency)

No alternative approaches to program service delivery are recommended at this time.

**Public Service Commission**

**ZBB Program: Commission Administration**

*Financial Summary*

	Expenditures		FY 2015	Zero Based Budget Review	
Objects of Expenditure	FY 2013	FY 2014	Current Budget	Changes	Recommendation
Personal Services	\$1,080,515	\$1,120,966	\$1,158,659	\$0	\$1,158,659
Regular Operating Expenses	14,803	19,085	14,803	0	14,803
Motor Vehicle Purchases					
Equipment		520			
Computer Charges	8,975	6,448	8,975	0	8,975
Real Estate Rentals	96,510	44,832	54,226	0	54,226
Telecommunications	13,877	13,142	13,894	0	13,894
Contractual Services	527				
<b>Total Expenditures</b>	<b>\$1,215,207</b>	<b>\$1,204,993</b>	<b>\$1,250,557</b>	<b>\$0</b>	<b>\$1,250,557</b>
<b>Fund Type</b>					
State General Funds	\$1,112,226	\$1,136,759	\$1,167,057	\$0	\$1,167,057
Federal Funds	96,420	65,996	83,500	0	83,500
Other Funds	6,561	2,238			
<b>Total Funds</b>	<b>\$1,215,207</b>	<b>\$1,204,993</b>	<b>\$1,250,557</b>	<b>\$0</b>	<b>\$1,250,557</b>
Positions*	11	11	11	0	11
Motor Vehicles					

\* Position counts shown under expenditures reflect the number of salaried, benefit eligible employees as of June 30 of that fiscal year.

## ***Public Service Commission***

### **ZBB Program: Commission Administration**

#### ***Performance Measures***

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##### **Agency Purpose:**

The Georgia Public Service Commission serves to exercise its authority and influence to ensure that consumers receive safe, reliable, and reasonably priced telecommunications, electric, and natural gas services from financially viable and technically competent companies.

##### **Program Purpose:**

The purpose of the Commission Administration program is to assist the Commissioners and staff in achieving the agency's goals.

##### **Performance Measures**

1. Agency turnover rate
2. Number of audit findings

Actuals			
FY 2011	FY 2012	FY 2013	FY 2014
5%	3%	9%	4%
1	0	0	N/A



# **FY 2016 Zero-Based Budget Analysis**

## Board of Regents of the University System of Georgia

### ZBB Program: Marine Institute

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

### **ZBB Program: Marine Institute**

#### ***FY 2016 Zero-Based Budget Report***

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#### **Purpose of Review**

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Located on Sapelo Island, the University of Georgia Marine Institute (UGAMI) is a world-renowned field destination that supports research and instruction in coastal ecosystems. Although it has long hosted visiting researchers and university classes (graduate and undergraduate), UGAMI was previously focused on academic research produced by resident faculty. The Institute refocused its purpose in FY 2013 as a field station and no longer has UGAMI resident faculty members. The purpose of this review is to analyze the effectiveness of UGAMI in providing a research and instructional support environment for the University of Georgia, University System entities, and other universities and organizations.

#### **Results of Analysis**

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1. Statutory Alignment: Program activities are aligned with statutory responsibilities.
2. Staffing Levels: There are 21 authorized positions and 14 full-time benefit eligible positions in the program. See recommendation below.
3. Fleet Management: There are 35 motor vehicles and five boats assigned to the program. See recommendation below.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. The updated measures accurately reflect the performance of the program.
5. Budget Impact: Maintain the current funding level for this program. Increase state funds in the Teaching program by \$169,569 for maintenance and operations for UGAMI's 30,403 square feet of instructional space. See recommendation below.

#### Program Operations:

6. The program revitalized long-term scientific research space to accommodate instructional space for undergraduate and graduate classes, as well as visiting graduate students and scholars. Instructional square footage includes state owned space in the University System of Georgia used to provide instruction to students and is included in the Teaching program's formula at a rate of \$5.58 per square foot. Instructional square footage at UGAMI is not included in the Teaching program's formula which indicates inconsistencies in the Board of Regents' policy for defining instructional square footage for inclusion in the formula.

**Recommendation: Include UGAMI's 30,403 instructional square feet as part of the funding formula in the Teaching program (\$169,569 in state funds) and develop a clear and consistent policy for defining and including instructional square footage in the formula for the entire University System of Georgia.**

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

### **ZBB Program: Marine Institute**

#### ***FY 2016 Zero-Based Budget Report***

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7. UGAMI has a widely recognized presence in the academic community on a national and international level. However, with the realignment of UGAMI's role on research support, educational support, and outreach, little emphasis has been placed on public engagement of local industry leaders, academic stakeholders, student alumni, and mission aligned organizations.

**Recommendation: Cultivate student alumni as well as a strong UGAMI social media presence. Engage stakeholders in a strategic planning committee that focuses on corporate industry engagement, long-term financial planning and investment strategies, academic outreach to institutions, and public awareness of the resources UGAMI offers the scientific, educational, and business communities.**

8. Approximately 35% of housing space at UGAMI are single occupancy homes and trailers. Trailers are difficult to keep in working condition and are not a long-term investment. They limit the number of instructional groups that are able to stay at the institute.

**Recommendation: Design a housing plan with the Board of Regents which focuses on developing "permanent" housing options that align with UGAMI's strategic goals to incorporate long-term instructional opportunities for university classes.**

9. The Institute provides vital work space for faculty to collect samples, data, and conduct basic biological analysis. In FY 2014, UGAMI collected data from researchers in the UGA Department of Marine Science on whether the presence of UGAMI as a resource was considered "critical, important, or minor" to their grants. The survey found that the grants that recognized UGAMI resources as "critical" for research totaled over \$1.53M. The Institute currently is unable to collect Indirect Cost Recoveries (IDC) from these grants. IDC funds are a portion of the total grant that covers operating and administrative costs of research.

**Recommendation: Collaborate with the University of Georgia in order to receive a portion of indirect cost funds from research grants that are critically dependent on UGAMI resources.**

10. In FY 2014, fees collected from facility usage consisted of 75% of other funds. The fee structure for facility use at UGAMI is limited to collection for housing unit use (nights spent in the facilities). No fees are currently assessed for use of a particular instructional space or lab space. Georgia students are charged the same fee as external users such as marine science organizations or students and researchers from out of state.

**Recommendation: Implement a multi-tiered fee structure by facility use and user type.**

11. Three employees of the Department of Natural Resources are funded in the UGAMI budget for administrative purposes. These positions provide operational support to the Reynold's Mansion. Prior years expenditures averaged \$115,000 over the last three years for these positions.

12. The current budget incorrectly reflects 21 authorized positions.

**Recommendation: Amend the current budget by seven to accurately reflect 14 authorized positions.**

13. The current budget incorrectly reflects zero authorized motor vehicles.

**Recommendation: Amend the current budget by 35 to accurately reflect 35 authorized motor vehicles.**



## Board of Regents of the University System of Georgia

### ZBB Program: Marine Institute

#### Key Activities and Alternative Approach

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions <sup>1</sup>	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Research Support</b>	The Institute hosts both long-term researchers and short-term researchers. UGAMI must accommodate the basic field and laboratory requirements of these researchers, who are primarily natural scientists. The staff provides the necessary support to enhance the success of research projects conducted on the GA coast, while also promoting new interdisciplinary investigations.	OCGA 20-12-2	10.5	\$364,316	\$611,569	\$0	\$364,316
<b>Educational Support for Undergraduates and Graduate Students</b>	UGAMI serves as a field trip destination for university courses. UGAMI and many of the individual research projects also sponsor undergraduate internships. Educational support seeks to establish programs that will allow students to be in residence for longer periods, providing deeper opportunities for experiential education and research.	OCGA 20-12-2	7.0	255,021	351,126	0	255,021
<b>Furthering Partnerships and Engagement</b>	UGAMI serves as a host site for training workshops for teachers, environmental educators, post-doctoral researchers, and county agents. The Institute is also used for small meetings and professional societies. UGAMI is a regular stop for tours conducted by the Sapelo Island National Estuarine Research Reserve, which brings Kindergarten through 12th grade (K-12) students, elderhostel groups, and the general public to the Island.	OCGA 20-12-2	3.5	109,295	252,218	0	109,295
<i>Total</i>			21.0	\$728,632	\$1,214,913	\$0	\$728,632

#### Alternative (Alternative approach to delivering program services as provided by the agency)

No alternative approaches to program services delivery are recommended at this time.

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

**ZBB Program: Marine Institute**

*Financial Summary*

Objects of Expenditure	Expenditures		FY 2015	Zero Based Budget Review	
	FY 2013	FY 2014	Current Budget	Changes	Recommendation
Personal Services <sup>i</sup>	\$817,989	\$750,987	\$799,848	\$0	\$799,848
Operating Expenses					
Motor Vehicle Purchases					
Equipment					
Computer Charges					
Real Estate Rentals					
Telecommunications					
Contractual Services					
Operating Expense - General and Departmental	453,024	363,217	390,065	0	390,065
OE -Sponsored Operations	41,823	29,072	25,000	0	25,000
<b>Total Expenditures</b>	<b>\$1,312,836</b>	<b>\$1,143,276</b>	<b>\$1,214,913</b>	<b>\$0</b>	<b>\$1,214,913</b>
<b>Fund Type</b>					
State General Funds	\$707,566	\$714,567	\$728,632	\$0	\$728,632
Other Funds	605,270	428,709	486,281	0	486,281
<b>Total Funds</b>	<b>\$1,312,836</b>	<b>\$1,143,276</b>	<b>\$1,214,913</b>	<b>\$0</b>	<b>\$1,214,913</b>
Positions <sup>ii</sup>	13	11	21	(7)	14
Motor Vehicles			0	35	35

<sup>i</sup> Total funds includes Department of Natural Resources (DNR) employees administratively processed through UGAMI (Totals: FY 2013 - \$107,125, FY 2014 - \$115,926, FY 2015 - \$120,563).

<sup>ii</sup> Position counts shown under expenditures reflect the number of salaried, benefit eligible employees as of June 30 of that fiscal year and do not include restricted research staff or DNR employees.

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

### **ZBB Program: Marine Institute**

#### ***Performance Measures***

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##### **Agency Purpose:**

The University System of Georgia (USG), through its 31 public colleges and universities, is charged with providing a higher education system. USG works to create a more educated Georgia through its core missions of instruction, research, and public service.

##### **Program Purpose:**

The purpose of the University of Georgia Marine Institute is to provide exceptional opportunities for scientists and other scholars to conduct cutting edge field research and to provide an instructional support environment for graduate classes, undergraduate classes, and other visitors to have transformative educational experiences in the unique ecosystems of the Georgia coast.

##### **Performance Measures**

	Actuals			
	FY 2011	FY 2012	FY 2013	FY 2014
1. Total income from all facility fees and Indirect Cost Recovery	\$179,721	\$199,460	\$153,333	\$169,267
2. Number of peer reviewed publications stemming from UGAMI-based research	41	45	35	42
3. Number of students receiving instructional time at UGAMI	N/A	641	617	785
4. Number of people who visit UGAMI as part of a guided tour	N/A	N/A	N/A	N/A
5. Number of beds occupied by instructional and research participants	4,548	4,765	4,014	4,904
6. Annualized dollars leveraged for the University of Georgia through grants requiring use of UGAMI facilities	\$1,926,254	\$1,553,368	\$1,396,409	\$1,526,768



# **FY 2016 Zero-Based Budget Analysis**

Board of Regents of the University System of  
Georgia

ZBB Program: Marine Resources Extension Center

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

### **ZBB Program: Marine Resources Extension Center**

#### ***FY 2016 Zero-Based Budget Report***

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#### **Purpose of Review**

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The Marine Resources Extension Center (MAREX) provides research-based information, educational programs, and technology development to promote environmental and economic health in coastal Georgia by helping improve public resource policy, encouraging far-sighted economic and fisheries decisions, anticipating vulnerabilities to change, and educating citizens on the coastal environment. The purpose of this review is to analyze the effectiveness of the MAREX program in providing outreach, education, and research to enhance coastal environmental and economic sustainability.

#### **Results of Analysis**

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1. Statutory Alignment: Program activities are aligned with statutory responsibilities.
2. Staffing Levels: The program has 17 authorized positions and 18 full-time benefit eligible positions. See recommendation below.
3. Fleet Management: There are 17 motor vehicles and 13 boats assigned to the program. See recommendation below.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. However, data for certain metrics were not available. The agency should track and record data to ensure accurate reporting of performance data in the future.
5. Budget Impact: Maintain the current funding level.

#### Program Operations:

6. In FY 2014, the program received approximately 26% of its total budget (\$641,845) from the Georgia Sea Grant (GASG). GASG is part of the National Oceanic and Atmospheric Administration's (NOAA) grant program to support sustainable economic and population growth on the coast, provide tools to guide efficient use of coastal resources, build a strong partnership between metro Atlanta and Georgia's coast, help create a robust state seafood industry, and assist developers in adopting sustainable building practices. MAREX provides the service delivery infrastructure for GASG's goals. Every four years the GASG-MAREX partnership is evaluated by the national program. In the FY 2010 evaluation, the National Sea Grant Office designated the GASG as a Best Management Practice for the entire Sea Grant Network.
7. MAREX provides professional development opportunities to Kindergarten through 12th grade teachers as well as environmental education programs for students. In FY 2014, the program collected \$11,000 in fees to provide professional development opportunities to 450 teachers and collected \$388,498 in fees to provide environmental educational programming to over 4,800 students from Georgia and the southeast region.

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

**ZBB Program: Marine Resources Extension Center**

***FY 2016 Zero-Based Budget Report***

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8. MAREX assists coastal municipalities in earning federal flood insurance grants available in Georgia through the Federal Emergency Management Agency's Community Rating System, which rewards local governments for taking steps to prepare for and prevent flooding. In federal fiscal year 2013, MAREX helped Tybee Island residents save \$500,000 annually in flood insurance discounts. The program supports other coastal communities through training and workshops on flood resiliency planning, climate adaptation, and navigating the Community Rating System.
9. The current budget incorrectly reflects 17 authorized positions.  
**Recommendation: Amend the current budget by one to accurately reflect 18 authorized positions.**
10. The current budget incorrectly reflects zero authorized motor vehicles.  
**Recommendation: Amend the current budget by 17 to accurately reflect 17 authorized motor vehicles.**
11. In FY 2014, \$30,107 was spent on vehicle repair, routine maintenance, and fuel for an aging fleet where 25% of the program's motor vehicles are over 20 years old.  
**Recommendation: Surplus aging motor vehicles to reduce motor vehicle repair costs.**

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

**ZBB Program: Marine Resources Extension Center**

*Key Activities and Alternative Approach*

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Applied Research and Economic Development</b>	Applied research is designed to develop best practices and technical support to communities and stakeholders regarding sustainable coastal development, hazard resilience in coastal communities, healthy coastal ecosystems, sustainable fisheries and aquaculture, environmental literacy and workforce development. These focus areas are both state and federally funded, and highly aligned with industry needs and issues that result in direct economic impacts.	OCGA 20-12-2	6	\$497,950	\$1,049,616	\$0	\$497,950
<b>Youth Education</b>	MAREX offers ocean literacy programs for students from Pre-Kindergarten through high school that connect children to the coast in school classrooms, island summer camps, and in MAREX's coastal facilities. This activity includes programs for K-12 educators to learn how to use environmental and ocean literacy principles in their classrooms. Education programs are open to both students and families.	OCGA 20-12-2	10	522,240	1,100,817	0	522,240
<b>Policy and Outreach</b>	MAREX helps communities and governments understand the value of sustainable land use practices by developing tools, best practices, model ordinances and information sources that facilitate the adoption of research based sustainable practices at a multitude of levels. This includes addressing hazard resiliency of coastal communities, healthy coastal ecosystems, sustainable fisheries and aquaculture, environmental literacy and workforce development.	OCGA 20-12-2	2	194,321	409,607	0	194,321
<i>Total</i>			18	\$1,214,511	\$2,560,040	\$0	\$1,214,511

**Alternative** (Alternative approach to delivering program services as provided by the agency)

No alternative approaches to program services delivery are recommended at this time.

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

**ZBB Program: Marine Resources Extension Center**

*Financial Summary*

<b>Objects of Expenditure</b>	<b>Expenditures</b>		<b>FY 2015</b>	<b>Zero Based Budget Review</b>	
	<b>FY 2013</b>	<b>FY 2014</b>	<b>Current Budget</b>	<b>Changes</b>	<b>Recommendation</b>
Personal Services	\$1,829,763	\$1,758,075	\$2,169,900	\$0	\$2,169,900
Operating Expenses					
Capital Outlay					
Motor Vehicle Purchases					
Equipment					
Computer Charges					
Real Estate Rentals					
Telecommunications					
Contractual Services					
Operating Expenses - General and Departmental	651,671	532,508	220,140	0	220,140
OE - Sponsored Operations	408,345	211,959	170,000	0	170,000
<b>Total Expenditures</b>	<b>\$2,889,779</b>	<b>\$2,502,542</b>	<b>\$2,560,040</b>	<b>\$0</b>	<b>\$2,560,040</b>
<b>Fund Type</b>					
State General Funds	\$1,163,146	\$1,179,252	\$1,214,511	\$0	\$1,214,511
Other Funds	1,726,633	1,323,290	1,345,529	0	1,345,529
<b>Total Funds</b>	<b>\$2,889,779</b>	<b>\$2,502,542</b>	<b>\$2,560,040</b>	<b>\$0</b>	<b>\$2,560,040</b>
Positions*	22	22	17	1	18
Motor Vehicles	18	18	0	17	17

\* Position counts shown under expenditures reflect the number of salaried, benefit eligible employees as of June 30 of that fiscal year.



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

### **ZBB Program: Marine Resources Extension Center**

#### ***Performance Measures***

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##### **Agency Purpose:**

The University System of Georgia (USG), through its 31 public colleges and universities, is charged with providing a higher education system. 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 fund outreach, education, and research to enhance coastal environmental and economic sustainability.

##### **Performance Measures**

	Actuals			
	FY 2011	FY 2012	FY 2013	FY 2014
1. Number of consultations with Marine Extension coastal marine constituents	23,239	51,417	45,778	59,205
2. Number of individuals trained by Marine Extension in a Hazard Analysis Critical Control Point (HACCP) course for the safe processing and handling of seafood	40	40	42	57
3. Total dollars generated from commercial aquaculture operations including hard clams and oysters	\$1,466,003	\$1,668,649	\$1,728,456	\$1,140,283
4. Number of local governments assisted	N/A	N/A	N/A	N/A
5. Number of K-12 students reached through educational programming	5,167	4,181	4,151	4,833



# **FY 2016 Zero-Based Budget Analysis**

Board of Regents of the University System of  
Georgia

ZBB Program: Skidaway Institute of Oceanography

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

# **ZBB Program: Skidaway Institute of Oceanography**

### ***FY 2016 Zero-Based Budget Report***

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#### **Purpose of Review**

The Skidaway Institute of Oceanography (SKIO) is a multidisciplinary research institution within the University System of Georgia dedicated to advancing the understanding of coastal and marine environments. The program is an established international leader in interdisciplinary ocean research, developing and promoting collaborations in science, education, policy, and public service. The purpose of this review is to analyze the effectiveness of the SKIO in producing research and educational programs regarding marine and ocean science and aquatic environments. The review will also examine SKIO's funding sources which include both instructional formula funding and program budget appropriations.

#### **Results of Analysis**

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1. Statutory Alignment: Program activities are aligned with statutory responsibilities.
2. Staffing Levels: The program has 40 full-time benefit eligible employees. There are also 13 resident faculty members of the University of Georgia working at the Institute.
3. Fleet Management: There are 14 motor vehicles in the program and four boats. See recommendation below.
4. Performance Measures: OPB worked with the program to identify metrics for key program activities. However, data for certain measures were not available. The agency should track and record data to ensure accurate reporting of performance data in the future.
5. Budget Impact: Maintain the current funding level.

#### Program Operations:

6. In FY 2014, SKIO began reporting to the Provost at the University of Georgia and was no longer considered an independent entity of the Board of Regents. SKIO has since leveraged its partnership with the University of Georgia by increasing its emphasis on educational planning and development.

**Recommendation: Create a plan for long term academic and instructional opportunities for students from the University of Georgia and other state universities, with priority placed on Science, Technology, Engineering, and Mathematics (STEM) subjects and coastal engineering co-ops. The programs should award course credit and contribute to degree completion. Programs should provide six-week to full semester opportunities for students and should incorporate hands-on learning in STEM fields applicable to industries in Georgia.**

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

### **ZBB Program: Skidaway Institute of Oceanography**

#### ***FY 2016 Zero-Based Budget Report***

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7. Skidaway provides outreach and consulting for marine constituents, government agencies, academia, and private organizations which is not documented. This outreach is a significant portion of the services the state provides in addition to research and educational programs.

**Recommendation: Continue to develop the internal method initiated during the FY 2016 ZBB process that tracks the scope of outreach and counsel activities of the program.**

8. In addition to the program's state funds appropriations, Skidaway receives state funds from the Teaching program's funding formula for research and maintenance and operations for instructional square footage. Instructional square footage includes state owned space in the University System of Georgia used to provide instruction to students and is included in the Teaching program's formula at a rate of \$5.58 per square foot. On average, Skidaway receives \$1.6M from the Teaching program each year. Approximately 35% of the funds received from square footage included in the Teaching program are used for maintenance and operations, while the remaining funds go to support personal services expenditures. Skidaway's instructional square footage is included in the Teaching program's formula. During the FY 2016 ZBB process, it was determined that there are inconsistencies across institutions for defining instructional square footage for inclusion in the Teaching formula.

**Recommendation: Board of Regents should develop a clear and consistent policy for defining and including instructional square footage in the formula for the entire University System of Georgia.**

9. Procurement of competitive faculty at SKIO is directly correlated with the program's ability to bring in other funds and awards from research grants. In FY 2014, SKIO received 75% of its total funds (\$3,687,589 in other funds) from federal research grants and contracts, while 62% of its expenditures were in personal services.

**Recommendation: Continue to prioritize recruiting and retaining innovative scientists.**

10. The current budget incorrectly reflects zero authorized motor vehicles.

**Recommendation: Amend the current budget by 14 to accurately reflect 14 authorized motor vehicles.**

## Board of Regents of the University System of Georgia

### ZBB Program: Skidaway Institute of Oceanography

#### Key Activities and Alternative Approach

						Zero Based Budget Review (State Funds)	
Key Activities (Listed in priority order as determined by Board of Regents of the University System of Georgia)		No. of	FY 2015	FY 2015			
Activity	Description	Authority	Positions	State Funds	Total Budget	Changes	Recommendation
Research	Develops and supports research programs across a broad range of sub-disciplines including: physical oceanography, chemical oceanography, geological oceanography, and biological oceanography.	OCGA 20-12-2	29 <sup>1</sup>	\$1,044,450	\$4,046,944	\$0	\$1,044,450
Education and Instruction	Faculty members at Skidaway Institute serve as mentors and advisors for undergraduate and graduate students, supervise the research and training of students from all over the world, offer instruction on the latest in research findings, and offer hands-on research opportunities for students through the institute's laboratories.	OCGA 20-12-2	3	78,532	278,063	0	78,532
Outreach and Counsel	Skidaway Institute scientists serve on advisory boards and as resources to local, state, and national governmental, business, and environmental groups and agencies. Some of SKIO's regular contacts include state agencies such as the Georgia Department of Natural Resources, local entities, regional agencies such as the Governors' South Atlantic Alliance, and federal agencies such as the Environmental Protection Agency and the National Science Foundation.	OCGA 20-12-2	8	117,185	715,780	0	117,185
<i>Total</i>			40	\$1,240,167	\$5,040,787	\$0	\$1,240,167

#### Alternative (Alternative approach to delivering program services as provided by the agency)

No alternative approaches to program service delivery are recommended at this time.

<sup>1</sup>The 13 research faculty members are not included in the position count.

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

**ZBB Program: Skidaway Institute of Oceanography**

*Financial Summary*

Objects of Expenditure	Expenditures		FY 2015	Zero Based Budget Review	
	of the University S	FY 2014	Current Budget	Changes	Recommendation
Personal Services		\$3,017,085	\$3,652,212	\$0	\$3,652,212
Operating Expenses					
Motor Vehicle Purchases					
Equipment					
Computer Charges					
Real Estate Rentals					
Telecommunications					
Contractual Services					
Operating Expenses - General and Departmental	1,463,070	1,385,210	531,039	0	531,039
Sponsored Operations	1,039,927	500,163	857,536	0	857,536
<b>Total Expenditures</b>	<b>\$2,502,997</b>	<b>\$4,902,458</b>	<b>\$5,040,787</b>	<b>\$0</b>	<b>\$5,040,787</b>
<b>Fund Type</b>					
State General Funds <sup>i</sup>	\$1,192,426	\$1,214,869	\$1,240,167	\$0	\$1,240,167
Other Funds	4,831,606	3,687,589	3,800,620	0	3,800,620
<b>Total Funds</b>	<b>\$6,024,032</b>	<b>\$4,902,458</b>	<b>\$5,040,787</b>	<b>\$0</b>	<b>\$5,040,787</b>
Positions <sup>ii</sup>	55	41	40		40
Motor Vehicles			0	14	14

<sup>i</sup> State General Funds do not include state funding from the Teaching program: FY 2013 (\$1,200,707); FY 2014 (\$1,588,581); FY 2015 (\$1,639,545)

<sup>ii</sup> Position counts shown under expenditures reflect the number of salaried, benefit eligible employees as of June 30 of that fiscal year. Position count in FY 2013 includes resident faculty.

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

### **ZBB Program: Skidaway Institute of Oceanography**

#### ***Performance Measures***

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##### **Agency Purpose:**

The University System of Georgia (USG), through its 31 public colleges and universities, is charged with providing a higher education system. 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 produce research and educational programs regarding marine and ocean science and aquatic environments.

##### **Performance Measures**

	Actuals			
	FY 2011	FY 2012	FY 2013	FY 2014
1. Number of peer reviewed articles published annually	31	29	30	35
2. Average sponsored dollars generated per state appropriated dollar	\$3.00	\$3.00	\$3.80	\$2.57
3. Average research dollars generated per faculty member	\$390,287	\$390,579	\$392,080	\$303,564
4. Percentage of beds occupied by instructional program participants (32 beds available year-round)	9.7%	8.2%	9.0%	23.5%
5. Number of consultations or external counseling presentations	N/A	N/A	N/A	N/A
6. Students receiving full days of research based instruction	N/A	N/A	N/A	N/A



# **FY 2016 Zero-Based Budget Analysis**

## Department of Revenue (DOR)

### ZBB Program: Local Tax Officials Retirement and FICA

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## ***Department of Revenue (DOR)***

# **ZBB Program: Local Tax Officials Retirement and FICA**

## ***FY 2016 Zero-Based Budget Report***

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### **Purpose of Review**

The Department of Revenue (DOR) is responsible for administering the state's tax laws, and collecting and processing state revenue. By law, local tax officials and their staff are considered employees of the Department of Revenue and are eligible to participate in the state Employees' Retirement System (ERS). The Local Tax Officials Retirement and FICA program provides state retirement benefits and the employer share of the Federal Insurance Contributions Act (FICA) tax to local tax officials. The purpose of this review is to evaluate the program's effectiveness in providing timely payments to ERS for state retirement benefits and the employer share of FICA to participating counties.

### **Results of Analysis**

1. Statutory Alignment: Program activities are aligned with statutory responsibilities.
2. Staffing Levels: There are no positions funded in this program.
3. Fleet Management: There are no motor vehicles assigned to the program.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. The updated measures accurately reflect the performance of the program.
5. Budget Impact: Reduce funds by \$1,036,853 for the liability on local tax officials' retirement benefits to meet projected expenditures.

#### **Program Operations:**

6. The Local Tax Officials Retirement and FICA program provides for the distribution of funds to local tax officials who are eligible to participate in the state Employees' Retirement System (ERS). The Department is required to pay the employer's share of the retirement contributions for such positions. ERS provides to OPB the total required amount to be included in the Governor's budget each year. Retirement benefits have been provided to local tax officials since 1958. Local tax office employees hired on or after July 1, 2012 are not eligible for ERS membership unless the county elects to pay the employer contribution. As a result, DOR's liability in this program will decrease.
7. The Department receives monthly invoices for employer contribution payments from ERS that are processed by five full-time positions in the Administration program. This processing accounts for approximately one percent of each position's responsibilities.
8. In FY 2014, the program expended \$12,875,394 for ERS employer contributions, \$681,314 for FICA contributions, and \$67,614 for Georgia Deferred Compensation (401K) contributions.

**Recommendation: Reduce funds by \$1,036,853 for the liability on local tax officials' retirement benefits to meet projected expenditures.**

**Department of Revenue (DOR)**

**ZBB Program: Local Tax Officials Retirement and FICA**

*Key Activities and Alternative Approach*

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Local Tax Officials Retirement and FICA</b>	Pays the retirement to the Employees' Retirement System and 401K to the Georgia Deferred Compensation Group Trust on behalf of the employer of local tax officials and distributes employer share of FICA to participating counties.	OCGA 47-2-292,	350	\$12,859,059	\$12,859,059	(\$1,036,853)	\$11,822,206
<i>Total</i>			0	\$12,859,059	\$12,859,059	(\$1,036,853)	\$11,822,206

**Alternative** (Alternative approach to delivering program services as provided by the agency)

No alternative approaches to program service delivery are recommended at this time.

**Department of Revenue (DOR)**

**ZBB Program: Local Tax Officials Retirement and FICA**

*Financial Summary*

	Expenditures		FY 2015	Zero Based Budget Review	
Objects of Expenditure	FY 2013	FY 2014	Current Budget	Changes	Recommendation
Personal Services					
Regular Operating Expenses					
Motor Vehicle Purchases					
Equipment					
Computer Charges					
Real Estate Rentals					
Telecommunications					
Contractual Services					
Local County Tax Officials Retirement and FICA	\$9,232,474	\$13,624,322	\$12,859,059	(\$1,036,853)	\$11,822,206
<b>Total Expenditures</b>	\$9,232,474	\$13,624,322	\$12,859,059	(\$1,036,853)	\$11,822,206
<b>Fund Type</b>					
State General Funds	\$9,232,474	\$13,624,322	\$12,859,059	(\$1,036,853)	\$11,822,206
<b>Total Funds</b>	\$9,232,474	\$13,624,322	\$12,859,059	(\$1,036,853)	\$11,822,206

## ***Department of Revenue (DOR)***

### **ZBB Program: Local Tax Officials Retirement and FICA**

#### ***Performance Measures***

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#### **Agency Purpose:**

The Department of Revenue administers and enforces the revenue tax laws of the State of Georgia fairly and efficiently in order to promote public confidence and compliance while providing excellent customer service.

#### **Program Purpose:**

The purpose of this program is to provide state retirement benefits and employer share of FICA to local tax officials.

#### **Performance Measures**

	<b>Actuals</b>			
	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
1. Amount of employer contributions paid for local tax officials and their staff participating in the state Employees' Retirement System	\$6,886,593	\$5,752,520	\$11,365,918	\$8,716,466
2. Number of local tax officials and their staff participating in the state Employees' Retirement System	1,283	1,185	1,260	1,145
3. Amount of FICA paid for local tax officials and their staff	N/A	N/A	N/A	\$681,314



# **FY 2016 Zero-Based Budget Analysis**

Secretary of State

ZBB Program: Corporations

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## ***Secretary of State***

# **ZBB Program: Corporations**

## ***FY 2016 Zero-Based Budget Report***

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### **Purpose of Review**

The Corporations program provides assistance in the creation and registration of business organizations and maintains corporation filings and records. The program also provides services for trademark registrations, service of process, video franchising, and development authority filings. The purpose of this review is to evaluate whether program activities are aligned with statutory requirements and to ensure that performance measures track the progress of the Corporation program's goal of facilitating the growth of Georgia businesses.

### **Results of Analysis**

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1. Statutory Alignment: Program activities are aligned with statutory requirements.
2. Staffing Levels: The program has 26 full-time benefit eligible employees.
3. Fleet Management: There are no motor vehicles assigned to the program.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. The updated measures accurately reflect the performance of the program.
5. Budget Impact: Increase state funds by \$873,351. See specific recommendations listed below.

#### **Program Operations:**

6. The Secretary of State's office has one call center that handles calls for all programs. There are currently 24 call center agents, with eight of those staff members budgeted in the Corporations program. Customer service levels have improved over the past two fiscal years, even though call volume continues to increase. However, the FY 2014 average speed to answer a call of five minutes and the abandonment rate of 31% are still well above industry standards of 30 seconds and 7%, respectively. The agency routinely hires temporary staff during peak season months to assist with call volume. The agency is working on procuring a new phone system that should assist with handling calls. Current call center metrics and data do not exist or are not available to fully evaluate the effectiveness of the call center.

**Recommendation: Procure and implement call center software that allows for additional and more complete tracking of standard call center metrics. Consult with GTA and other state agencies for assistance in optimizing call center performance. Share updated metrics and data with OPB to determine if additional resources are warranted.**

## *Secretary of State*

# **ZBB Program: Corporations**

## *FY 2016 Zero-Based Budget Report*

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7. The Corporations program is responsible for processing applications of entities that seek to do business in the state. Currently, customer service representatives do not have the ability to process corporations' filings over the telephone. Representatives provide guidance to applicants to complete the process online. This procedure increases telephone hold times for other customers.  
**Recommendation: Evaluate the cost to implement technology that will allow customer service representatives to process filings and accept payments from customers over the telephone.**
8. Records for the Corporations program prior to 2000 are not digitized. The records are stored in a basement room prone to flooding. If the records are damaged during a flood event, there are no digital back-ups on file. Such files are routinely requested when a corporation or business changes ownership or goes through dissolution proceedings. Corporations' records are required to be kept on file in accordance with the state's records retention policy.  
**Recommendation: Prioritize funding to the extent possible, secure necessary equipment and staff, and begin digitization of corporations filings in accordance with the state's record retention policy.**
9. The agency's current Annual Operating Budget (AOB) does not accurately reflect anticipated expenditures. Historically, program expenditures have averaged \$2.5 million per year. However, the current FY 2015 AOB is only \$780,026.  
**Recommendation: Continue to submit operating budgets to OPB that more accurately reflect projected expenditures.**
10. Over the past several fiscal years, the agency has collected other funds throughout the fiscal year from miscellaneous service charges, which are not required to be immediately remitted to the state treasury. However, rather than utilizing these funds towards program operations, the program reserved the funds as retained revenue at the end of the fiscal year. The FY 2015 budget reduces the program's state funds appropriation by \$1,226,291 and directs the program to utilize reserve funds for operations. The program is projected to collect \$2,503,010 in miscellaneous service charges in FY 2016. However, program expenditures are projected to exceed funds available and all other prior year reserve funds have been expended.  
**Recommendation: Increase state funds by \$873,351 to cover projected program expenditures. Reduce other funds by \$1,272,086 to align other funds with projected collections. In accordance with the state's policy on fund source spending order, the program should use other funds earned during the fiscal year, and not otherwise currently remitted to Treasury, for program expenditures prior to the use of state funds. Additionally, any state or other funds remaining unexpended at fiscal year end should be remitted to the state treasury.**

## Secretary of State

# ZBB Program: Corporations

## Key Activities and Alternative Approach

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Incorporation of Georgia businesses, non-profits, and limited liability companies; Register Trademarks, Service Marks and Foreign Charters; Regulated Merger and Share Exchanges</b>	Provides a distinguishable name for filing purposes from the names of other entities on the records of the Corporations Division. Renews or suspends the filings of corporations, non-profits, and LLCs within the state; has the authority to register trademarks or service marks to be used to distinguish services from the services of others. Responsible for the creation, registration and subsequent filings of foreign corporations; regulates all corporations whose charters have been granted by the Secretary of State and ensures compliance with provisions relating to mergers or share exchanges.	OCGA 14-2-1 et seq.	14	\$40,514	\$2,359,041	\$539,959	\$580,473
<b>Customer Service and Information Requests</b>	Provides the public with knowledge about Corporations upon request to allow for the request, renewal, creation, or dissolution of a corporation.	OCGA 10-1-447	7	0	891,813	204,126	204,126
<b>Application Intake</b>	Collects fees for all entities, applications for certificates of authority, annual registration, address change applications, applications for reinstatement, certificates of conversation, and any other documents related to Corporations.	OGCA 14-2-120; 14-4-183	5	0	564,756	129,266	129,266
<i>Total</i>			26	\$40,514	\$3,815,610	\$873,351	\$913,865

### Alternative (Alternative approach to delivering program services as provided by the agency)

No alternative approaches to program service delivery are recommended at this time.



**Secretary of State**

**ZBB Program: Corporations**

*Financial Summary*

Objects of Expenditure	Expenditures		FY 2015	Zero Based Budget Review	
	FY 2013	FY 2014	Current Budget	Changes	Recommendation
Personal Services	\$1,487,608	\$1,929,437	\$2,711,536	(\$398,735)	\$2,312,801
Regular Operating Expenses	64,645	536,095	261,165	0	261,165
Motor Vehicle Purchases					
Equipment	4,714	7,754			
Computer Charges	237,788	1,231,425	475,680	0	475,680
Real Estate Rentals	120,831	140,367	247,149	0	247,149
Telecommunications	117,334	97,061	119,978	0	119,978
Contractual Services	1,795	827,145	102	0	102
<b>Total Expenditures</b>	<b>\$2,034,715</b>	<b>\$4,769,283</b>	<b>\$3,815,610</b>	<b>(\$398,735)</b>	<b>\$3,416,875</b>
<b>Fund Type</b>					
State General Funds	\$854,560	\$1,266,737	\$40,514	\$873,351	\$913,865
Other Funds	1,180,155	3,502,546	3,775,096	(1,272,086)	2,503,010
<b>Total Funds</b>	<b>\$2,034,715</b>	<b>\$4,769,283</b>	<b>\$3,815,610</b>	<b>(\$398,735)</b>	<b>\$3,416,875</b>
Positions*	24	27	26	0	26
Motor Vehicles	1				

\* Position counts shown under expenditures reflect the number of salaried, benefit eligible employees as of June 30 of that fiscal year.

## Secretary of State

### ZBB Program: Corporations

#### Performance Measures

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**Agency Purpose:**

The Secretary of State serves as the custodian of the state flag and keeper of the Great Seal of Georgia. The office provides services to state citizens, agencies, local governments, and businesses. The services provided include the registration of voters, and the investigation, inspection, and enforcement of professional licenses, election activities, and securities regulations.

**Program Purpose:**

The purpose of this program is to accept and review filings made pursuant to statutes; to issue certifications of records on file; and to provide general information to the public on all filed entities.

**Performance Measures**

1. Number of total corporation filings processed
2. Number of new corporations filings completed
3. Number of corporations call center calls offered
4. Number of corporations call center calls answered
5. Percentage of corporations call center calls abandoned
6. Average speed of corporations call center calls answered in minutes

Actuals			
FY 2011	FY 2012	FY 2013	FY 2014
915,174	853,281	729,465	742,114
89,183	96,071	95,477	96,034
N/A	210,770	318,256	479,489
N/A	179,652	155,354	329,486
N/A	15%	51%	31%
N/A	3:25	15:23	5:01



# **FY 2016 Zero-Based Budget Analysis**

Secretary of State

ZBB Program: Elections

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## ***Secretary of State***

# **ZBB Program: Elections**

## ***FY 2016 Zero-Based Budget Report***

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### **Purpose of Review**

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The Elections program organizes and oversees election activity including voter registration and municipal, county, state, and federal election administration. The program's staff also certifies election results and qualifies federal and state candidates. The program maintains and updates the statewide voter registration database to keep it current with the number of eligible registered voters. In addition to the election administration duties, the program provides Great Seal certification for authentication of public documents for foreign use. The purpose of this review is to evaluate and analyze the activities of the Elections program to ensure key activities are being performed effectively and efficiently.

### **Results of Analysis**

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1. Statutory Alignment: Program activities are aligned with statutory requirements.
2. Staffing Levels: The program has 20 full-time benefit eligible employees.
3. Fleet Management: There are two motor vehicles assigned to the program.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. The updated measures accurately reflect the performance of the program.
5. Budget Impact: Maintain the current funding level.

#### Program Operations:

6. There are three election liaisons who work directly with local election officials to advise them on issues related to various election policies and procedures. One liaison is assigned 51 Atlanta metro counties and the other two liaisons are assigned counties east and south of the metro area. Each group of counties represents the same population size of approximately two million registered voters. The agency has expressed concern that during high volume election cycles, liaisons cannot respond to all inquiries and issues in a timely and efficient manner. Approximately 80% of issues that liaisons handle are county related election concerns and the remaining 20% are educational and technical issues.

**Recommendation: Monitor and track the workload of the election liaisons to determine current service levels and, if additional resources are warranted, submit the findings to OPB.**

## ***Secretary of State***

### **ZBB Program: Elections**

#### ***FY 2016 Zero-Based Budget Report***

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7. During conferences and trainings offered by the Secretary of State, packets of paper training materials are printed for election officials from counties with representatives in attendance. These trainings occur five to ten times per year, but the agency does not have an estimate for the cost of printing and providing the materials.

**Recommendation: Begin tracking the cost of providing paper training materials to counties and explore opportunities to provide such materials electronically.**

8. Over the past several fiscal years, the agency has collected other funds throughout the fiscal year from miscellaneous service charges, which are not required to be immediately remitted to the state treasury. However, rather than utilizing these funds towards program operations, the program reserved the funds as retained revenue at the end of the fiscal year.

**Recommendation: In accordance with the state's policy on fund source spending order, the program should use other funds earned during the fiscal year, and not otherwise currently remitted to Treasury, for program expenditures prior to the use of state funds.**

**Additionally, any state or other funds remaining unexpended at fiscal year end should be remitted to the state treasury.**

## Secretary of State

# ZBB Program: Elections

## Key Activities and Alternative Approach

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Voter Registration</b>	Establishes and maintains the official list of all eligible and qualified registered electors in the state.	OCGA 21-2-50	4.9	\$1,537,474	\$1,577,190	\$0	\$1,537,474
<b>Election Results Certification</b>	Certifies that all election results are valid and validates provisional ballots.	OCGA 21-2-419; 21-2-499; 21-2-324	1.9	490,317	502,983	0	490,317
<b>Election Official Training</b>	Provides and administers a certification program for all county and municipal election superintendents, or in the case of a combined board, the designee of such board.	OCGA 21-2-99; 21-2-100	2.8	817,256	838,367	0	817,256
<b>Election Administration</b>	Determines forms of nomination, petition, ballots, and other forms the Secretary of State is required to certify. Receives the returns of primaries and elections and canvasses and computes the votes cast for candidates. Responds to inquiries from the public and election officials.	OCGA 21-2-50; 21-2-280; 21-2-283;	6.8	1,434,892	1,471,958	0	1,434,892
<b>State Election Board Administration</b>	Formulates, adopts, and investigates violations, and promulgates rules and regulations related to election laws. The Board may hold hearings to examine matters in connection with the proper discharge of the Board's duties.	OCGA 21-2-30; 21-2-31; 21-2-32; 21-2-33; 21-2-33.1	1.9	502,323	515,299	0	502,323
<b>Candidate Qualification</b>	Determines if a candidate is qualified to seek and hold a public office for which such candidate is offering. Upon his or her own motion, a candidate may challenge the qualification of any candidate at any time prior to the election of such candidate.	OCGA 21-2-5; 21-2-6; 21-2-50	1.7	443,894	455,361	0	443,894
<i>Total</i>			20.0	\$5,226,157	\$5,361,157	\$0	\$5,226,157

### Alternative (Alternative approach to delivering program services as provided by the agency)

No alternative approaches to program service delivery are recommended at this time.

**Secretary of State**

**ZBB Program: Elections**

*Financial Summary*

Objects of Expenditure	Expenditures		FY 2015	Zero Based Budget Review	
	FY 2013	FY 2014	Current Budget	Changes	Recommendation
Personal Services	\$1,546,044	\$1,555,521	\$1,720,771	\$0	\$1,720,771
Regular Operating Expenses	532,697	404,405	702,230	0	702,230
Motor Vehicle Purchases		21,109			
Equipment	9,428	5,515			
Computer Charges	188,840	1,006,286	30,311	0	30,311
Real Estate Rentals	132,470	136,845	124,805	0	124,805
Telecommunications	2,692,753	4,148,645	1,086,223	0	1,086,223
Contractual Services	2,229,733	2,701,742	1,296,817	0	1,296,817
Election Expenses	309,949	299,455	400,000	0	400,000
Grants and Benefits	27,499	165,767			
<b>Total Expenditures</b>	<b>\$7,669,413</b>	<b>\$10,445,291</b>	<b>\$5,361,157</b>	<b>\$0</b>	<b>\$5,361,157</b>
<b>Fund Type</b>					
State General Funds	\$6,230,630	\$8,562,327	\$5,226,157	\$0	\$5,226,157
Federal Funds	1,395,821	1,882,532	85,000	0	85,000
Other Funds	42,962	433	50,000	0	50,000
<b>Total Funds</b>	<b>\$7,669,413</b>	<b>\$10,445,291</b>	<b>\$5,361,157</b>	<b>\$0</b>	<b>\$5,361,157</b>
Positions*	17	19	20	0	20
Motor Vehicles	1	2	2	0	2

\* Position counts shown under expenditures reflect the number of salaried, benefit eligible employees as of June 30 of that fiscal year.

## Secretary of State

### ZBB Program: Elections

#### Performance Measures

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**Agency Purpose:**

The Secretary of State serves as the custodian of the state flag and keeper of the Great Seal of Georgia. The office provides services to state citizens, agencies, local governments, and businesses. The services provided include the registration of voters, and the investigation, inspection, and enforcement of professional licenses, election activities, and securities regulations.

**Program Purpose:**

The purpose of this program is to administer all duties imposed upon the Secretary of State by providing all required filing and public information services, performing all certification and commissioning duties required by law, and assisting candidates, local governments, and citizens in interpreting and complying with all election, voter registration, and financial disclosure laws.

**Performance Measures**

1. Number of elections
2. Number of registered voters
3. Number of training classes offered online through E-Learn system
4. Number of E-Learn users trained
5. Number of State Election Board cases

Actuals			
FY 2011	FY 2012	FY 2013	FY 2014
650	536	528	725
5,696,083	5,904,789	6,175,037	5,949,652
41	41	64	32
1,266	1,381	1,464	1,482
N/A	172	166	131





# **FY 2016 Zero-Based Budget Analysis**

Secretary of State

ZBB Program: Office Administration

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## ***Secretary of State***

# **ZBB Program: Office Administration**

## ***FY 2016 Zero-Based Budget Report***

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### **Purpose of Review**

The Office Administration program provides support services for the Secretary of State's office including accounting, budgeting, human resources, information technology, press relations, and legislative affairs. The Investigations subprogram and the Georgia Athletic and Entertainment Commission are also budgeted in the program and do not serve as agency administrative functions. The purpose of this review is to evaluate the key activities and statutory requirements of the Office Administration program and identify the most cost effective means to carry out these functions.

### **Results of Analysis**

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1. Statutory Alignment: Program activities are aligned with statutory requirements.
2. Staffing Levels: The program has 59 full-time benefit eligible employees.
3. Fleet Management: There are 45 motor vehicles assigned to the program.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. The agency should continue to develop relevant and measurable outcomes for its key activities
5. Budget Impact: Transfer \$2,710,892 in state funds to other programs. See specific recommendations listed below.

#### Program Operations:

6. The Office Administration program budget includes funding from state, federal, and other fund sources. State funds are reported in the appropriation bill; however, the agency typically amends federal and other funds into the budget in the third and fourth quarters of the fiscal year. To more accurately reflect budget and expenditures throughout the fiscal year, the department should amend the Annual Operating Budget (AOB) each quarter.

**Recommendation: Comply with the Office of Planning and Budget's AOB instructions, and submit quarterly amendments to more accurately reflect federal and other funds.**

7. The Investigations subprogram accounts for 43% of the total Office Administration program budget and is responsible for enforcing rules and regulations related to professional licensing, corporations, elections, and securities. The subprogram consists of 18 POST-certified Criminal Investigators who receive complaints and investigate violations of Georgia regulations, 15 Complaint/Compliance Inspectors who conduct inspections of licensing applicants and existing license holders, and one general office support position. The Investigations subprogram services the entire agency and functions separately from the Administration subprogram's support services. Due to the law enforcement functions of the subprogram, it would be beneficial to create a separate Investigations program to provide more transparency and monitoring of the budget impact of the investigative section of the budget.

## ***Secretary of State***

### **ZBB Program: Office Administration**

#### ***FY 2016 Zero-Based Budget Report***

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**Recommendation: Transfer 34 positions, 37 motor vehicles, and \$2,615,612 in state funds from the Office Administration program and create the Investigations program to function independently from the Office Administration program.**

8. The Georgia Athletic and Entertainment Commission is currently budgeted in the Office Administration program. The Commission is responsible for regulating boxing, mixed martial arts, wrestling, and ticket brokers in Georgia. One person in the Administration program provides support for the Commission. In FY 2014, the Commission spent approximately \$14,845 on total operating expenses. Other Professional Licensing Board programs are budgeted in the Professional Licensing Boards program and are administered by executive directors and other Board support personnel.

**Recommendation: Transfer one position, \$95,280 in state funds, and the Georgia Athletic and Entertainment Commission from the Office Administration program to the Professional Licensing Boards program.**

9. Over the past several fiscal years, the agency has collected other funds throughout the fiscal year from miscellaneous service charges, which are not required to be immediately remitted to the state treasury. However, rather than utilizing these funds towards program operations, the program reserved the funds as retained revenue at the end of the fiscal year.

**Recommendation: In accordance with the state's policy on fund source spending order, the program should use other funds earned during the fiscal year, and not otherwise currently remitted to Treasury, for program expenditures prior to the use of state funds. Additionally, any state or other funds remaining unexpended at fiscal year end should be remitted to the state treasury.**

10. State agencies that collect fees and other revenue report the prior year collections into the User Fee Tracking System (UFTS) administered by OPB. The data is self-reported by the agencies to include the amount of collections, authority to collect the revenue, and information on whether the revenue was retained by the agency or remitted to Treasury. Data in the UFTS for the Secretary of State contains discrepancies and does not match general ledger records.

**Recommendation: Report accurate fee collections into the UFTS.**

## Secretary of State

# ZBB Program: Office Administration

## Key Activities and Alternative Approach

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Investigations and Inspections</b>	Enforces the laws pertaining to elections, professional licensing, and securities. Receives complaints and investigates potential violations of Georgia regulations. Works with other local, state, and federal agencies in criminal matters. Conducts inspections for licensing applicants and existing license holders.	OCGA 10-1-1 et seq; 21-1-1 et seq; 43-1-1 et seq	34	\$2,615,612	\$2,615,612	(\$2,615,612)	\$0
<b>Public Information and Agency Policies and Procedures</b>	Establishes policies and procedures necessary for the management of agency operations. Supplies the public with the summary of general amendments to the Constitution of Georgia to be printed after the summary has been prepared. Maintains current maps of all surveys, harbors, swamps, or land, and the official directory of state and county officers.	OCGA 50-4-3; 50-13-3	3	782,625	785,702	0	782,625
<b>Information Technology</b>	Handles all information technology needs for the agency including: website development, licensing and certification IT support, elections IT monitoring, and daily IT support needs.	OCGA 50-4-3; 50-4-6;	4	717,145	719,962	0	717,145
<b>Administrative Support</b>	Provides legal assistance, procurement, human resources, contract authority, accounting, budgeting, agency mail services, and other support services. Enters accounting, procurement, human resources, and budget information into statewide systems as requested by attached agencies.	OCGA 50-4-3; 50-4-6;	13	1,237,376	1,244,105	0	1,237,376
<b>Press and Public Relations</b>	Handles press items related to the Office of the Secretary of State as well as all relations with elected officials, capitol hill staff, and the public.	OCGA 50-4-3; 50-4-6;	4	532,667	534,759	0	532,667

**Secretary of State**

**ZBB Program: Office Administration**

*Key Activities and Alternative Approach*

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
Georgia Athletic and Entertainment Commission	Regulates all boxing, mixed martial arts, wrestling, and ticket brokers in Georgia.	OCGA 43-4B-4; 43-4B-5; 43-4B- 7; 43-4B-50	1	95,280	95,655	(95,280)	0
<i>Total</i>			59	\$5,980,705	\$5,995,795	(\$2,710,892)	\$3,269,813

**Alternative** (Alternative approach to delivering program services as provided by the agency)

No alternative approaches to program service delivery are recommended at this time.

**Secretary of State**

**ZBB Program: Office Administration**

*Financial Summary*

	Expenditures		FY 2015	Zero Based Budget Review	
Objects of Expenditure	FY 2013	FY 2014	Current Budget	Changes	Recommendation
Personal Services	\$4,978,853	\$4,834,207	\$5,388,618	(\$2,382,780)	\$3,005,838
Regular Operating Expenses	287,998	339,297	288,564	(189,343)	99,221
Motor Vehicle Purchases					
Equipment	11,046		1,271	0	1,271
Computer Charges	91,157	170,852	43,593	(26,034)	17,559
Real Estate Rentals	149,610	140,659	138,755	(58,195)	80,560
Telecommunications	170,253	137,207	132,619	(54,540)	78,079
Contractual Services	100,942	233,507	2,285	0	2,285
<b>Total Expenditures</b>	<b>\$5,789,859</b>	<b>\$5,855,728</b>	<b>\$5,995,705</b>	<b>(\$2,710,892)</b>	<b>\$3,284,813</b>
<b>Fund Type</b>					
State General Funds	\$5,770,437	\$5,855,728	\$5,980,705	(\$2,710,892)	\$3,269,813
Other Funds	19,422		15,000	0	15,000
<b>Total Funds</b>	<b>\$5,789,859</b>	<b>\$5,855,728</b>	<b>\$5,995,705</b>	<b>(\$2,710,892)</b>	<b>\$3,284,813</b>
Positions*	59	56	59	(35)	24
Motor Vehicles	54	45	45	(37)	8

\* Position counts shown under expenditures reflect the number of salaried, benefit eligible employees as of June 30 of that fiscal year.

## Secretary of State

### ZBB Program: Office Administration

#### Performance Measures

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**Agency Purpose:**

The Secretary of State serves as the custodian of the state flag and keeper of the Great Seal of Georgia. The office provides services to state citizens, agencies, local governments, and businesses. The services provided include the registration of voters, and the investigation, inspection, and enforcement of professional licenses, election activities, and securities regulations.

**Program Purpose:**

The purpose of this program is to provide administrative support to the Office of Secretary of State and its attached agencies.

**Performance Measures**

1. Number of completed investigations
2. Number of regular inspections
3. Fines collected
4. Number of audit findings
5. Agency turnover rate

Actuals			
FY 2011	FY 2012	FY 2013	FY 2014
1,309	1,355	1,087	988
9,459	8,866	12,907	11,258
\$1,375,142	\$1,434,482	\$2,664,550	\$1,754,200
1	1	1	N/A
N/A	N/A	N/A	N/A



# **FY 2016 Zero-Based Budget Analysis**

Secretary of State  
ZBB Program: Professional Licensing Boards

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## ***Secretary of State***

# **ZBB Program: Professional Licensing Boards**

## ***FY 2016 Zero-Based Budget Report***

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### **Purpose of Review**

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The Professional Licensing Boards program provides administrative support to the various state licensing and regulation boards in carrying out their regulatory functions. The program works in conjunction with agency investigators and inspectors to ensure license holders are in compliance with rules and regulations governing their profession. The purpose of this review is to examine the most cost effective means in carrying out the statutory requirements of the program.

### **Results of Analysis**

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1. Statutory Alignment: Program activities are aligned with statutory requirements.
2. Staffing Levels: The program has 96 full-time benefit eligible employees.
3. Fleet Management: There are four motor vehicles assigned to the program.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. The updated measures accurately reflect the performance of the program.
5. Budget Impact: Increase state funds by \$765,748. See specific recommendations listed below.

#### Program Operations:

6. The Secretary of State's office has one call center that handles calls for all programs. There are currently 24 total call center agents, with 16 of those staff members accounted for in the Professional Licensing Boards program. Customer service levels have improved over the past two fiscal years, even though call volume continues to increase. However, the FY 2014 average speed of answer of 13 minutes and the abandonment rate of 46% remain well above industry standards of 30 seconds and 7%, respectively. The agency routinely hires temporary staff during peak season months to assist with call volume. The agency is working on procuring a new phone system that should assist with handling calls. Current call center metrics and data do not exist or are not available to fully evaluate the effectiveness of the call center.

**Recommendation: Procure and implement call center software that allows for additional and more complete tracking of standard call center metrics. Consult with the Georgia Technology Authority and other state agencies for assistance in optimizing call center performance. Share updated metrics and data with OPB to determine if additional resources are warranted.**

## ***Secretary of State***

# **ZBB Program: Professional Licensing Boards**

## ***FY 2016 Zero-Based Budget Report***

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7. The Professional Licensing Boards program processes licenses on behalf of boards for various professions regulated by the state. Currently, customer service representatives do not have the ability to process professional license applications over the telephone. Representatives provide guidance to applicants to complete the process online. Following this procedure increases telephone hold times for other customers.

**Recommendation: Evaluate the cost to implement technology that will allow customer service representatives to process licenses and accept payments from customers over the telephone.**

8. Professional Licensing Board application records prior to 2008 are not digitized. The records are stored in a basement room prone to flooding. If the records are damaged during a flood event, there is no digital back up on file. Such records are requested from individuals seeking to reinstate expired licenses or during court proceedings. Application records are required to be kept on file in accordance with the state's records retention policy.

**Recommendation: Prioritize funding to the extent possible, secure necessary equipment and staff, and begin digitization of corporations filings in accordance with the state's record retention policy.**

9. The Georgia Athletic and Entertainment Commission is currently under the purview of the Office Administration program. The Board is responsible for regulating boxing, mixed martial arts, wrestling, and ticket brokers in Georgia. One person in the Administration program provides support for the Commission. In FY 2014, the Commission spent approximately \$14,845 on operating expenses. Other professional licensing boards are located in the Professional Licensing Boards program and are collectively administered by several executive directors and other board support personnel.

**Recommendation: Transfer one position, \$95,280 in state funds and the Georgia Athletic and Entertainment Commission from the Office Administration program to the Professional Licensing Boards program.**

## *Secretary of State*

# **ZBB Program: Professional Licensing Boards**

## *FY 2016 Zero-Based Budget Report*

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10. Over the past several fiscal years, the agency has collected other funds throughout the fiscal year from miscellaneous service charges, which are not required to be immediately remitted to the state treasury. However, rather than utilizing these funds towards program operations, the program reserved the funds as retained revenue at the end of the fiscal year. The FY 2015 budget reduces the program's state funds appropriation by \$373,717 and directs the program to utilize reserve funds for operations. The program is projected to collect approximately \$440,398 in miscellaneous service charges in FY 2016. However, program expenditures are projected to exceed funds available, and all other prior year reserve funds have been expended.

**Recommendation: Increase state funds by \$670,468 to cover projected program expenditures. Decrease other funds by (\$373,355) to align budget with projected collections. In accordance with the state's policy on fund source spending order, the program should use other funds earned during the fiscal year, and not otherwise currently remitted to Treasury, for program expenditures prior to the use of state funds. Additionally, any state or other funds remaining unexpended at fiscal year end should be remitted to the state treasury.**

## Secretary of State

# ZBB Program: Professional Licensing Boards

## Key Activities and Alternative Approach

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Application Processing and Administration</b>	Processes all applications for professional licensing. Reviews applications, administers examinations, provides licenses to qualified applicants, and regulates the professional practice licenses throughout the state.	OCGA 50-36-1; 43-1-19	61.7	\$4,576,559	\$5,122,721	\$513,942	\$5,090,501
<b>Customer Service</b>	Provides the public with knowledge about professional licensing upon request to allow for the request or renewal of licensing.	OCGA 50-36-1; 43-1-19	18.6	1,187,563	1,329,284	133,362	1,320,925
<b>Application Intake</b>	Receive and intake initial and renewal applications for professional licenses.	OCGA 43-1-2; 43-1-8	15.7	1,054,725	1,180,595	118,444	1,173,169
<i>Total</i>			96	\$6,818,847	\$7,632,600	\$765,748	\$7,584,595

### Alternative (Alternative approach to delivering program services as provided by the agency)

No alternative approaches to program service delivery are recommended at this time.

**Secretary of State**

**ZBB Program: Professional Licensing Boards**

*Financial Summary*

	Expenditures		FY 2015	Zero Based Budget Review	
Objects of Expenditure	FY 2013	FY 2014	Current Budget	Changes	Recommendation
Personal Services	\$5,039,891	\$5,383,510	\$5,793,220	\$65,768	\$5,858,988
Regular Operating Expenses	724,635	744,886	807,418	326,625	1,134,043
Motor Vehicle Purchases					
Equipment		19,675			
Computer Charges	198,178	344,109	293,989	0	293,989
Real Estate Rentals	951,125	965,392	535,758	0	535,758
Telecommunications	132,704	119,833	172,415	0	172,415
Contractual Services	28,539	281,064	29,800	0	29,800
<b>Total Expenditures</b>	<b>\$7,075,073</b>	<b>\$7,858,469</b>	<b>\$7,632,600</b>	<b>\$392,393</b>	<b>\$8,024,993</b>
<b>Fund Type</b>					
State General Funds	\$6,919,106	\$7,188,275	\$6,818,847	\$765,748	\$7,584,595
Other Funds	155,967	670,194	813,753	(373,355)	440,398
<b>Total Funds</b>	<b>\$7,075,073</b>	<b>\$7,858,469</b>	<b>\$7,632,600</b>	<b>\$392,393</b>	<b>\$8,024,993</b>
Positions*	87	88	96	1	97
Motor Vehicles	10	1	4	0	4

\* Position counts shown under expenditures reflect the number of salaried, benefit eligible employees as of June 30 of that fiscal year.

## Secretary of State

### ZBB Program: Professional Licensing Boards

#### Performance Measures

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**Agency Purpose:**

The Secretary of State serves as the custodian of the state flag and keeper of the Great Seal of Georgia. The office provides services to state citizens, agencies, local governments, and businesses. The services provided include the registration of voters, and the investigation, inspection, and enforcement of professional licenses, election activities, and securities regulations.

**Program Purpose:**

The purpose of this program is to protect the public health and welfare by supporting all operations of boards which license professions.

**Performance Measures**

1. Number of licensed professionals regulated
2. Number of license renewals processed
3. Number of new applications processed
4. Board meeting expense (per diem and mileage)
5. Average number of days to process new applications
6. Average number of days to process renewal applications
7. Number of licenses renewed online
8. Percentage of licenses renewed online
9. Percentage of new applications approved
10. Total number of license revocations
11. Number of PLB call center calls offered
12. Number of PLB call center calls answered
13. Percentage of PLB call center calls abandoned
14. Average speed of PLB call center calls answered in minutes

Actuals			
FY 2011	FY 2012	FY 2013	FY 2014
1,121,905	1,147,033	1,167,746	1,004,909
187,873	204,095	192,446	207,898
58,871	57,920	56,255	37,220
\$266,547	\$248,022	\$249,988	\$271,706
57	69	93	21
6	15	22	20
187,694	191,105	178,768	190,283
96%	94%	93%	92%
83%	89%	75%	73%
11	49	28	9
N/A	480,209	491,107	760,441
N/A	344,762	272,891	413,430
N/A	28%	44%	46%
N/A	5:51	21:16	13:40



# **FY 2016 Zero-Based Budget Analysis**

Secretary of State

ZBB Program: Securities

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## *Secretary of State*

# **ZBB Program: Securities**

## *FY 2016 Zero-Based Budget Report*

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### **Purpose of Review**

The Securities program administers and enforces the Georgia Uniform Securities Act of 2008. The program regulates all participants in the securities industry in the state, including individuals and firms selling securities and providing investment advice to the public. The purpose of this review is to evaluate the program's activities required by statute, in addition to the activities performed that are not required, in order to analyze the effectiveness of performing such activities.

### **Results of Analysis**

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1. Statutory Alignment: Program activities are aligned with statutory requirements. There are certain program activities that are performed which are not statutorily required.
2. Staffing Levels: The program has eight full-time benefit eligible employees.
3. Fleet Management: There are no motor vehicles assigned to the program.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. The updated measures accurately reflect the performance of the program.
5. Budget Impact: Increase state funds by \$121,210. See specific recommendations listed below.

#### Program Operations:

6. The Securities program is responsible for administering and enforcing the Georgia Securities Act. There are two auditors in the program who are responsible for securities compliance audits and inspections of approximately 2,334 investment advisor firms and 13,247 investment advisors. Due to the complex nature of the audits, the auditors complete, on average, two audits a month. The auditors are required to complete an audit in less than 90 days, with a target goal of finishing in 60 days. Additionally, they must maintain a caseload of at least six audits at all times, focused more on large asset firms. The auditors have been instructed to write brief, concise audit reports and escalate any issues to the Securities program director involving firms that may prevent the timely completion of audits.

**Recommendation: Monitor and track the workload of the auditors to determine the need for additional resources, and submit the plan to OPB.**



## ***Secretary of State***

### **ZBB Program: Securities**

#### ***FY 2016 Zero-Based Budget Report***

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7. Over the past several fiscal years, the agency has collected other funds throughout the fiscal year from miscellaneous service charges, which are not required to be immediately remitted to the state treasury. However, rather than utilizing these funds towards program operations, the program reserved the funds as retained revenue at the end of the fiscal year. The FY 2015 budget reduced the program's state funds appropriation by \$164,727 and directed the program to utilize reserve funds for operations. The program is projected to collect approximately \$50,000 in miscellaneous service charges and settlements from federal securities cases in FY 2016. However, program expenditures are projected to exceed funds available, and all other prior year reserve funds have been expended.

**Recommendation: Increase state funds by \$121,210 to cover projected program expenditures. In accordance with the state's policy on fund source spending order, the program should use other funds earned during the fiscal year, and not otherwise currently remitted to Treasury, for program expenditures prior to the use of state funds. Additionally, any state or other funds remaining unexpended at fiscal year end should be remitted to the state treasury.**

8. The Invest Georgia Exemption was adopted by the Secretary of State in December 2011. The exemption allows Georgia-based businesses to request an exemption in securities registration requirements. With the exemption, small businesses may issue securities to investors and raise up to \$1 million, though no more than \$10,000 may be invested by any single securities purchaser. In essence, small businesses can raise capital by issuing securities or ownership interest in their companies with minimal regulatory requirements and without going through a formal securities process. This process of raising funds is often referred to as "crowdfunding." Georgia is currently one of only six states with either a regulatory exemption or law allowing such an exemption. To date, 35 businesses have filed to receive the exemption. This exemption may serve as a valuable tool for new and small businesses. However, the Secretary of State's office does not require that companies disclose how much money was raised from the solicitation of funds, nor does the Secretary of State's office currently audit the businesses and funds raised.

**Recommendation: Conduct a program review to determine the outcomes of the program, including total invested dollars, current business positions, and investment outcomes.**

## *Secretary of State*

### **ZBB Program: Securities**

#### *FY 2016 Zero-Based Budget Report*

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9. The Secretary of State is designated as the Commissioner of Securities and the Secretary of State's office is charged with administering the Uniform Securities Act by Georgia law. The program is responsible for registering and inspecting financial advisors, firms, brokers, dealers, agents, cemeteries, and charities. Key activities of the program include processing registrations from financial institutions and maintaining a publicly accessible database and inspecting financial institutions to ensure compliance with state and federal laws and regulations. In similar fashion, the Department of Banking and Finance currently inspects banks, credit unions, mortgage entities, and money service businesses and establishes rules and regulations for the operation of such. The Department inspects banks and financial institutions at least once a year and has enforcement powers to impose fines, require corrective actions, and close banks when necessary. Consolidating the registration, regulation, and inspection of investment firms could create efficiencies and improve oversight.

**Recommendation: Investigate the feasibility of transferring the Securities program from the Secretary of State's office to the Department of Banking and Finance.**

## Secretary of State

# ZBB Program: Securities

## Key Activities and Alternative Approach

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Securities Administration</b>	Processes initial registrations and renewals of broker-dealer firms and agents, adviser firms and representatives, and federally covered investment advisors, mutual funds, securities, and "private placements" sold pursuant to SEC rule 506.	OCGA 10-5-30 et seq; 10-5-70 et seq	3.30	\$215,845	\$244,111	\$43,283	\$259,128
<b>Inspections and Investigations</b>	Reviews broker-dealer investment adviser records to ensure compliance with the Georgia Securities Act.	OCGA 10-5-71	2.00	178,000	182,311	35,694	213,694
<b>Fairness Hearings</b>	Holds hearings for issuers of securities that are found to have violated the Georgia Securities Act.	OCGA 10-5-11(9)	0.35	47,462	51,389	9,517	56,979
<b>Compliance Audits and Exams</b>	Administers audits and exams of investment firms registered with the Commissioner to ensure compliance with the Georgia Securities Act.	OCGA 10-5-40(d); GA Securities Rule 590-4-4-14(5)	2.00	115,689	125,259	23,199	138,888
<b>Investor Education</b>	Provides educational initiatives developed by the Securities Commissioner to inform the public about investing in securities and protecting against securities fraud.	OCGA 10-5-70 et seq	0.35	47,462	51,388	9,517	56,979
<i>Total</i>			8.00	\$604,458	\$654,458	\$121,210	\$725,668

### Alternative (Alternative approach to delivering program services as provided by the agency)

No alternative approaches to program service delivery are recommended at this time.

**Secretary of State**

**ZBB Program: Securities**

*Financial Summary*

	Expenditures		FY 2015	Zero Based Budget Review	
Objects of Expenditure	FY 2013	FY 2014	Current Budget	Changes	Recommendation
Personal Services	\$670,690	\$562,391	\$587,825	\$0	\$587,825
Regular Operating Expenses	32,538	83,278	38,664	121,210	159,874
Motor Vehicle Purchases					
Equipment		7,506			
Computer Charges	38,275	35,755	3,593	0	3,593
Real Estate Rentals	31,039	35,451			0
Telecommunications	3,156	3,950	9,376	0	9,376
Contractual Services	8,375	46,014	15,000	0	15,000
<b>Total Expenditures</b>	<b>\$784,073</b>	<b>\$774,345</b>	<b>\$654,458</b>	<b>\$121,210</b>	<b>\$775,668</b>
<b>Fund Type</b>					
State General Funds	\$765,236	\$767,484	\$604,458	\$121,210	\$725,668
Other Funds	18,837	5,861	50,000	0	50,000
<b>Total Funds</b>	<b>\$784,073</b>	<b>\$773,345</b>	<b>\$654,458</b>	<b>\$121,210</b>	<b>\$775,668</b>
Positions*	20	8	8	0	8
Motor Vehicles	7				

\* Position counts shown under expenditures reflect the number of salaried, benefit eligible employees as of June 30 of that fiscal year.

## Secretary of State

### ZBB Program: Securities

#### Performance Measures

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**Agency Purpose:**

The Secretary of State serves as the custodian of the state flag and keeper of the Great Seal of Georgia. The office provides services to state citizens, agencies, local governments, and businesses. The services provided include the registration of voters, and the investigation, inspection, and enforcement of professional licenses, election activities, and securities regulations.

**Program Purpose:**

The purpose of this program is to provide for the administration and enforcement of the Georgia Securities Act, the Georgia Charitable Solicitations Act, and the Georgia Cemetery Act. Functions under each act include registration, examinations, investigations, and administrative enforcement actions.

**Performance Measures**

	Actuals			
	FY 2011	FY 2012	FY 2013	FY 2014
1. Fines collected	\$3,000	\$5,321,132	\$252,016	\$190,999
2. Number of securities offerings processed	N/A	4,050	4,581	3,014
3. Number of charities filings	4,012	3,145	3,006	4,604
4. Number of registered broker-dealers	2,266	2,333	2,190	2,046
5. Number of broker-dealer agents	149,240	163,239	195,345	166,351
6. Number of registered investment advisor firms	2,232	2,234	2,324	2,292
7. Number of registered investment advisor representatives	10,291	12,861	13,247	11,377
8. Number of securities investigations closed	N/A	146	95	63
9. Number of completed examinations of registered investment advisor firms	29	62	73	73
10. Average number of examinations conducted per auditor	14.5	20.67	24	24
11. Number of administrative orders issued	N/A	31	20	21



# **FY 2016 Zero-Based Budget Analysis**

Georgia Student Finance Commission

ZBB Program: Engineer Scholarship

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## ***Georgia Student Finance Commission***

# **ZBB Program: Engineer Scholarship**

### ***FY 2016 Zero-Based Budget Report***

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#### **Purpose of Review**

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The Engineer Scholarship provides service cancellable loans to students studying engineering at Mercer University in the amount of \$1,750 a semester with a maximum borrow amount of \$17,500. The program incentivizes students to study and work in engineering in the state of Georgia. The program aligns with the Governor's goal to increase student proficiency in science, technology, engineering, and mathematics (STEM) and encourage careers in related fields within the state. Originally a lottery funded program created in FY 1998, this program shifted to state general funds in FY 2012. The purpose of this review is to ensure the program is effective in meeting the needs of Georgia's students and encouraging economic development within the state.

#### **Results of Analysis**

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1. Statutory Alignment: Program activities are aligned with statutory responsibilities.
2. Staffing Levels: There are no positions funded in this program.
3. Fleet Management: There are no motor vehicles assigned to the program.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. The updated measures accurately reflect the performance of the program.
5. Budget Impact: Reduce state funds by \$105,000 to eliminate the program through attrition.

#### Program Operations:

6. Personal services and operating expenditures are funded through income received by the Georgia Student Finance Authority (GSFA) (\$175,475 in other funds).
7. GSFA is responsible for managing and monitoring loan repayment and service cancellation. GSFA's current policy assumes approximately 80% of all service cancellable loans will be cancelled through service and 20% through cash repayment. This policy applies to all service cancellable loans GSFA administers and is not reflective of recent trends for the Engineer Scholarship.

**Recommendation: Adjust the policy for the Engineer Scholarship to better reflect assets and income from cash repayment for service cancellable loans.**

## ***Georgia Student Finance Commission***

### **ZBB Program: Engineer Scholarship**

#### ***FY 2016 Zero-Based Budget Report***

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8. When the Engineer Scholarship program started in 1997, only two public institutions, the University of Georgia and the Georgia Institute of Technology, offered undergraduate engineering programs. At that time, Mercer University was the only higher education institution in middle or south Georgia offering engineering programs. As of FY 2015, two additional public universities, Georgia Southern University and Southern Polytechnic State University, offer undergraduate engineering programs. Located in southeast Georgia, Georgia Southern University offers four engineering programs providing options for residents in middle and south Georgia. There are a total of 31 engineering programs offered at public institutions in Georgia compared to 12 in 1997.
9. The percentage of students repaying the engineer scholarship loan through service decreased by 14% from FY 2010 to FY 2014 to 33%. The percentage of students in cash repayment increased by 4% to 42%, and the percentage of students in forbearance or deferment increased by 8% to 25% over the same period of time. As of June 30, 2014, 132 students are in cash repayment, 104 in service cancellation, and 78 in forbearance or deferment totaling 314 outstanding loans. These rates indicate students are not using the program for its intended purpose. The eligible student population has alternative financing options available including the Low Interest Loans, HOPE Private Scholarship, and the Tuition Equalization Grant programs.  
**Recommendation: Eliminate the Engineer Scholarship program through attrition by continuing to fund only current scholarship recipients. Reduce funds in FY 2016 by \$105,000 for the 30 current recipients expected to graduate in FY 2015 and transfer funds to the Tuition Equalization Grant program. The final cohort funded by this program entered in FY 2015.**



## Georgia Student Finance Commission

### ZBB Program: Engineer Scholarship

#### Key Activities and Alternative Approach

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
Scholarship for Engineering Education (SEE) Service Cancelable Loans	Created in FY 1998, SEE loans of up to \$1,750 per semester are awarded to undergraduate Georgia resident students in an engineering-related field at Mercer University (Macon campus). Eligible students, who must maintain a 2.5 GPA, may receive a maximum of \$17,500 in SEE loans and can apply the funds to tuition, fees, room and board, and other educational expenses. Loan amounts are canceled at a rate of \$3,000 for each year worked in an engineering-related field. Any amounts not canceled through service are paid in cash plus interest. GSFC transfers the funding for this program to Georgia Student Finance Authority, which services the loans.	OCGA 20-3-313, 20-3-316		\$785,250	\$785,250	(\$105,000)	\$680,250
<i>Total</i>			0	\$785,250	\$785,250	(\$105,000)	\$680,250

#### Alternative (Alternative approach to delivering program services as provided by the agency)

Increase the HOPE and Zell Miller Scholarship award amounts to cover the cost. This would not cost less, but would be more efficient in processing one award.

**Georgia Student Finance Commission**

**ZBB Program: Engineer Scholarship**

*Financial Summary*

Objects of Expenditure	Expenditures		FY 2015	Zero Based Budget Review	
	FY 2013	FY 2014	Current Budget	Changes	Recommendation
Personal Services					
Regular Operating Expenses					
Motor Vehicle Purchases					
Equipment					
Computer Charges					
Real Estate Rentals					
Telecommunications					
Contractual Services					
Financial Aid- State	\$701,750	\$785,250	\$785,250	(\$105,000)	\$680,250
<b>Total Expenditures</b>	\$701,750	\$785,250	\$785,250	(\$105,000)	\$680,250
<b>Fund Type</b>					
State General Funds	\$701,750	\$785,250	\$785,250	(\$105,000)	\$680,250
<b>Total Funds</b>	\$701,750	\$785,250	\$785,250	(\$105,000)	\$680,250
Positions*					
Motor Vehicles					

\* Position counts shown under expenditures reflect the number of salaried, benefit eligible employees as of June 30 of that fiscal year.

## Georgia Student Finance Commission

### ZBB Program: Engineer Scholarship

#### Performance Measures

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##### Agency Purpose:

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 appropriation is to provide forgivable loans to Georgia residents who are engineering students at Mercer University (Macon campus), and retain those students as engineers in the state.

##### Performance Measures

1. Number of students awarded forgivable loans per year
2. Average dollar amount per award
3. Percentage of students repaying loans through service
4. Number of recipient graduates per year

Actuals			
FY 2011	FY 2012	FY 2013	FY 2014
172	172	204	238
\$3,266	\$3,205	\$3,431	\$3,234
44%	40%	33%	33%
N/A	N/A	32	30



# **FY 2016 Zero-Based Budget Analysis**

## Georgia Student Finance Commission

### ZBB Program: Tuition Equalization Grants

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## ***Georgia Student Finance Commission***

# **ZBB Program: Tuition Equalization Grants**

### ***FY 2016 Zero-Based Budget Report***

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#### **Purpose of Review**

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Established in 1973, Tuition Equalization Grant (TEG) is one of the state's longest operating student grant programs. The program provides grants to Georgia residents opting to attend eligible private postsecondary institutions in the state and supports the Governor's goal of increasing the percentage of Georgia residents who hold a postsecondary credential. The current grant amount is \$350 a semester and \$233 a quarter. An eligible student may receive three semester awards or four quarter awards a year for up to 127 semester hours or 190 quarter hours. The typical student receives two semester awards a year. As a result, the annual award amount refers to the award amount for two semesters, currently at \$700. The original annual award amount in 1973 was \$400 and the peak annual award amount was \$1,200 in FY 2009. The purpose of this review is to ensure the efficient operation of the program and its continued success in encouraging Georgia residents to attend eligible private colleges in Georgia through grant assistance.

#### **Results of Analysis**

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1. Statutory Alignment: Program activities are aligned with statutory responsibilities.
2. Staffing Levels: There are no positions funded in the program.
3. Fleet Management: There are no motor vehicles assigned to the program.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. The updated measures accurately reflect the performance of the program.
5. Budget Impact: Increase funds by \$105,000 in order to increase the TEG award amount from \$700 to \$900 per year.

## ***Georgia Student Finance Commission***

### **ZBB Program: Tuition Equalization Grants**

#### ***FY 2016 Zero-Based Budget Report***

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##### Program Operations:

6. The annual award amount has been \$700 since FY 2012. Not adjusting for inflation, this is the lowest award amount since FY 1984. As tuition rates have risen over the life of the program, the award amount has not increased proportionately. The number of grants awarded decreased by 3.7% in FY 2014. The Georgia Student Finance Authority (GSFA) granted \$18.8M in awards in FY 2014, which was \$2.4M below the FY 2014 budget. GSFA has the authority to defer state general funds received into the following fiscal year to fund other programs. In FY 2015, 76% of FY 2014's deferred revenue funded growth in the Accel program. Projections based on the current award amount of \$700 per year predict a 3% decrease in the number of awards for FY 2015 and FY 2016 further decreasing the amount granted to students.

**Recommendation: Transfer funds from the Engineer Scholarship program (\$105,000) and utilize any deferred revenue remaining after FY 2015 to increase the award amount from \$700 to \$900 a year (Total Funds: \$2,626,328) to provide additional support for students.**

## Georgia Student Finance Commission

# ZBB Program: Tuition Equalization Grants

### Key Activities and Alternative Approach

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Tuition Equalization Grants</b>	TEG provides grants of \$350 per semester or \$233 per quarter to Georgia resident students attending eligible private postsecondary institutions. With limited exceptions, students must be undergraduate students and enrolled full-time. There are no financial or merit requirements. Eligible institutions include both private not-for-profit and private for-profit institutions in Georgia.	OCGA 20-3-231, 20-3-410		\$21,119,952	\$21,119,952	\$105,000	\$21,119,952
<i>Total</i>			0	\$21,119,952	\$21,119,952	\$105,000	\$21,119,952

#### Alternative (Alternative approach to delivering program services as provided by the agency)

The funds could be provided directly to the private institutions with sole discretion in awarding students; however, there would be no additional cost savings from this change.

**Georgia Student Finance Commission**

**ZBB Program: Tuition Equalization Grants**

*Financial Summary*

Objects of Expenditure	Expenditures		FY 2015	Zero Based Budget Review	
	FY 2013	FY 2014	Current Budget	Changes	Recommendation
Personal Services					
Regular Operating Expenses					
Motor Vehicle Purchases					
Equipment					
Computer Charges					
Real Estate Rentals					
Telecommunications					
Contractual Services					
Financial Aid-State	\$20,176,108	\$21,119,952	\$21,119,952	\$105,000	\$21,224,952
<b>Total Expenditures</b>	\$20,176,108	\$21,119,952	\$21,119,952	\$105,000	\$21,224,952
<b>Fund Type</b>					
State General Funds	\$20,176,108	\$21,119,952	\$21,119,952	\$105,000	\$21,224,952
Other Funds	529,727				
<b>Total Funds</b>	\$20,705,835	\$21,119,952	\$21,119,952	\$105,000	\$21,224,952
Positions*					
Motor Vehicles					

\* Position counts shown under expenditures reflect the number of salaried, benefit eligible employees as of June 30 of that fiscal year.



## Georgia Student Finance Commission

### ZBB Program: Tuition Equalization Grants

#### Performance Measures

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**Agency Purpose:**

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

**Program Purpose:**

The purpose of this program is to promote the private segment of higher education in Georgia by providing non-repayable grant aid to Georgia residents who attend eligible private postsecondary institutions.

**Performance Measures**

1. Number of awards granted per year
2. Average dollar amount per award
3. Number of students receiving the Tuition Equalization Grant

Actuals			
FY 2011	FY 2012	FY 2013	FY 2014
71,230	68,342	64,816	62,405
\$324	\$302	\$301	\$302
36,537	34,903	33,279	31,843



# **FY 2016 Zero-Based Budget Analysis**

## Technical College System of Georgia

### ZBB Program: Quick Start and Customized Services

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## ***Technical College System of Georgia***

# **ZBB Program: Quick Start and Customized Services**

### ***FY 2016 Zero-Based Budget Report***

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#### **Purpose of Review**

The Quick Start and Customized Services program works with the Georgia Department of Economic Development to provide workforce development incentives to new and expanding businesses in the state. Quick Start's customized training, designed to meet each employer's needs, is nationally recognized as a unique incentive to attract new businesses and jobs to Georgia. Quick Start's Customized Services subprogram provides customized workforce training to existing businesses through the state's technical colleges for a fee. The purpose of this review is to analyze the program's effectiveness as an economic development tool for the state.

#### **Results of Analysis**

1. Statutory Alignment: Program activities are aligned with statutory responsibilities.
2. Staffing Levels: The program has 147 authorized positions and 131 full-time benefit eligible positions. See recommendation below.
3. Fleet Management: There are 4 vehicles assigned to the program. See recommendation below.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. However, data for certain measures were not available. The agency should track and record data to ensure accurate reporting of performance data in the future.
5. Budget Impact: Maintain the current funding level.

#### **Program Operations**

6. Georgia Quick Start and Customized Services offers workforce development and training to businesses looking to relocate or expand within Georgia with a focus on Georgia's strategic industries in biotech/healthcare, advanced manufacturing, logistics, agribusiness, automotive, and service sectors. The central office is co-located with the Department of Economic Development in order to better coordinate business recruitment strategies statewide. The program also has two regional offices in LaGrange and Savannah to meet workforce needs across the state. Quick Start separately manages three regional training centers for new and expanding industries in West Point, Athens, and Social Circle, and Vice Presidents of Economic Development oversee delivery of customized training programs at each of the state's 24 technical colleges.

## ***Technical College System of Georgia***

### **ZBB Program: Quick Start and Customized Services**

#### ***FY 2016 Zero-Based Budget Report***

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**Recommendation:** Quick Start has relocated regional offices when necessary to meet changing business and economic needs across the state. By coordinating outreach to the business community at the state, regional, and local levels, Quick Start is able to quickly respond and adapt to technical training needs for large and small businesses across the state as a whole. In regions of the state with higher unemployment rates, Quick Start should continue to work with the Department of Economic Development and other partners to develop regional strategic plans to attract and retain businesses and support economic growth.

7. In FY 2015, Quick Start received a \$1,225,000 bond for equipment for strategic project needs across the state. Historically, Quick Start has not received bond funding to meet broader training needs statewide, but instead has only received bonds for specific economic development projects. As a result, the program has no dedicated funding source that it can utilize to respond quickly to economic development project needs. Because Quick Start activities are targeted to assisting the external business community, the Technical College System is restricted in using other System general obligation (GO) bond proceeds for Quick Start projects or equipment as these GO bonds have historically been issued as tax-exempt debt and cannot be used to benefit a private entity.

**Recommendation:** Provide an annual capital appropriation for the Quick Start program for equipment and infrastructure needs in order to establish an available source of project funding that could be used in conjunction with the Regional Economic Business Assistance (REBA) program and OneGeorgia grant and loan programs to attract and retain businesses to Georgia. Also, issue all general obligation debt for TCSG as taxable when feasible in order to allow the System maximum flexibility in utilizing proceeds to benefit economic development projects at System institutions.

8. TCSG currently receives two sources of federal funding that flow through the Quick Start and Customized Services program, representing 1.9% of total program funding. TCSG receives a Federal Mine Health and Safety Training block grant each year that supports annual training on mine and quarry safety and Occupational Safety and Health Administration (OSHA) standards at Oconee Fall Line Technical College and Chattahoochee Technical College. In addition, Georgia Northwestern Technical College, in conjunction with community and business leaders, received a WIA (Workforce Investment Act) 503 Incentive Grant beginning in state FY 2014 to provide resources to protect the regional flooring industry in Northwest Georgia. This grant is being used to develop training for skilled workers in critical needs areas such as Advanced Manufacturing, providing opportunities for professional growth and new jobs.

**Recommendation:** Vice Presidents of Economic Development, who oversee the Customized Services program at each college, should work closely with local community and business leaders in their regions to identify and compete for Federal and nonprofit grants for which they qualify to support local workforce needs and foster job growth.

9. The authorized motor vehicle count of zero does not reflect the actual number of motor vehicles.

**Recommendation:** Amend the current budget by four to accurately reflect four authorized motor vehicles.

*Technical College System of Georgia*

**ZBB Program: Quick Start and Customized Services**

*FY 2016 Zero-Based Budget Report*

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10. The number of authorized positions does not reflect the actual number of positions.

**Recommendation: Amend the current budget by 16 to accurately reflect 131 authorized positions.**

## Technical College System of Georgia

### ZBB Program: Quick Start and Customized Services

#### Key Activities and Alternative Approach

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Regional Operations - (Northern, Western, and Eastern Regional Offices)</b>	Quick Start maintains regional operations to deliver services across the state. Regional centers, located in Atlanta, LaGrange, and Savannah coordinate and oversee delivery of workforce training for businesses in their respective regions. Quick Start also operates additional training centers to meet specific needs of new and expanding industry; currently training centers are located in West Point, Athens, and Social Circle.	OCGA 20-4-40	40	\$5,950,000	\$5,986,444	\$0	\$5,950,000
<b>Project Support Operations</b>	Provides information technology, equipment delivery, classroom set up, maintenance and repair, telecommunications, mail and copier services, facility rental and storage, insurance, vehicle support, utilities, and administration to project activities and centers statewide.	OCGA 20-4-42	5	2,760,300	2,760,300	0	2,760,300
<b>Performance Tech Operations</b>	Develops and delivers customized training designed to meet the specific organizational development needs of each individual client. The core of the educational and curriculum work of Quick Start is provided to produce highly-skilled workers and ensure that employers' workforce needs are met.	OCGA 20-4-41	9	1,880,500	1,880,500	0	1,880,500
<b>Creative Services and Media Production</b>	Designs and produces a wide range of materials and products required for the day-to-day operational needs of Quick Start. The creative team utilizes various media and technology to develop engaging materials such as job aids, manuals, presentations, technical illustrations, animations, videos, and 3-D products.	OCGA 20-4-42	12	1,542,600	1,542,600	0	1,542,600

## Technical College System of Georgia

### ZBB Program: Quick Start and Customized Services

#### Key Activities and Alternative Approach

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Marketing/Communications</b>	Meets with prospective new businesses to describe the program's services to client companies. This team works strategically to incentivize businesses to invest in Georgia and create jobs in the state.	OCGA 20-4-42	3	448,400	448,400	0	448,400
<b>Customized Business and Industry Training</b>	Customized corporate contract training is delivered by individual technical colleges for a fee. The technical colleges analyze company needs, design, develop, and deliver customized training for existing Georgia businesses. The funds generated by this service support the local economic development activities undertaken by the individual technical colleges.	OCGA 20-4-47	62	261,282	10,455,997	0	261,282
<i>Total</i>			131	\$12,843,082	\$23,074,241	\$0	\$12,843,082

#### Alternative (Alternative approach to delivering program services as provided by the agency)

No alternative approaches to program service delivery are recommended at this time.

**Technical College System of Georgia**

**ZBB Program: Quick Start and Customized Services**

*Financial Summary*

	Expenditures		FY 2015	Zero Based Budget Review	
Objects of Expenditure	FY 2013	FY 2014	Current Budget	Changes	Recommendation
Personal Services	\$11,794,857	12,324,278	\$13,174,241	\$0	\$13,174,241
Regular Operating Expenses	3,066,158	2,726,483	4,550,000	0	4,550,000
Motor Vehicle Purchases	17,887	72,618	75,000	0	75,000
Equipment	211,945	852,037	850,000	0	850,000
Computer Charges	223,723	375,961	475,000	0	475,000
Real Estate Rentals	696,310	701,584	725,000	0	725,000
Telecommunications	170,151	150,829	155,000	0	155,000
Contractual Services	3,069,798	2,904,560	3,070,000	0	3,070,000
<b>Total Expenditures</b>	<b>\$19,250,830</b>	<b>20,108,350</b>	<b>\$23,074,241</b>	<b>\$0</b>	<b>\$23,074,241</b>
<b>Fund Type</b>					
State General Funds	\$12,207,005	12,662,243	\$12,843,082	\$0	\$12,843,082
Federal Funds	113,713	176,080	441,458	0	441,458
Other Funds	6,930,113	7,270,027	9,789,701	0	9,789,701
<b>Total Funds</b>	<b>\$19,250,830</b>	<b>20,108,350</b>	<b>\$23,074,241</b>	<b>\$0</b>	<b>\$23,074,241</b>
Positions*	117	128	147	(16)	131
Motor Vehicles			0	4	4

\* Position counts shown under expenditures reflect the number of salaried, benefit eligible employees as of June 30 of that fiscal year.



## Technical College System of Georgia

### ZBB Program: Quick Start and Customized Services

#### Performance Measures

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**Agency Purpose:**

The Technical College System of Georgia provides technical, academic, and adult education and training focused on building a well-educated, globally competitive workforce for Georgia.

**Program Purpose:**

The purpose of this program is to promote job creation and retention by developing and delivering customized workforce training for Georgia businesses during start-up, expansion, or when they make capital investments in new technology, processes, or product lines in order to remain competitive in the global marketplace.

**Performance Measures**

1. Number of Quick Start projects delivered
2. Number of jobs created in Georgia with the assistance of Quick Start
3. Number of individuals successfully trained by Quick Start
4. Number of completed training-related materials produced
5. Average number of jobs created per project
6. Average support cost per project
7. Number of meetings and presentations to prospect companies and representatives
8. Number of informational marketing/communications materials developed and distributed
9. Number of unique companies served through customized business and industry training at technical colleges

Actuals			
FY 2011	FY 2012	FY 2013	FY 2014
168	161	133	123
9,507	8,622	9,431	6,928
98,544*	57,993	60,155	53,316
N/A	N/A	N/A	N/A
57	54	71	56
\$16,149	\$18,568	\$16,844	\$17,123
N/A	N/A	N/A	68
N/A	N/A	N/A	13,690
2,445	2,844	2,932	3,172

\* FY 2011 includes training services provided for a large scale manufacturing operation.



# **FY 2016 Zero-Based Budget Analysis**

## Department of Transportation

### ZBB Program: Intermodal

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## ***Department of Transportation***

# **ZBB Program: Intermodal**

## ***FY 2016 Zero-Based Budget Report***

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### **Purpose of Review**

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The Department of Transportation plans, constructs, maintains, and improves the state's roads and bridges, and provides planning and financial support for other modes of transportation. The purpose of this review is to evaluate the program's effectiveness and efficiency in achieving its overall goal of supporting the planning, development, and maintenance of Georgia's Airports, Rail, Transit, Ports, and Waterways.

### **Results of Analysis**

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1. Statutory Alignment: Program activities are aligned with statutory responsibilities.
2. Staffing Levels: The program has 27 full-time benefit eligible employees.
3. Fleet Management: There are 54 authorized motor vehicles and 56 actual motor vehicles assigned to the program. 12 motor vehicles are used by program staff, eight transit vehicles are available for local governments to short-term lease, and 36 buses are under long-term leases with bus lines to provide intercity bus service. See specific recommendation below.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. The updated measures accurately reflect the performance of the program.
5. Budget Impact: Reduce funds by \$5,351,719.

#### Program Operations:

6. In 1999, the federal government and the Georgia Department of Transportation (GDOT) entered into an agreement in which GDOT would act as the non-federal sponsor for construction of the existing navigation channel in the Port of Savannah and Port of Brunswick. Per this agreement, GDOT is responsible for 35% of total construction costs related to dredged material disposal facilities for the Port of Savannah and Port of Brunswick. The US Army Corps of Engineers (USACE) is responsible for the remaining 65% of construction costs, as well as 100% of operation and maintenance costs associated with the continuous dredging of material. Material dredged from the Savannah River is contained in Dredged Material Containment Areas (DMCA's), which are located on land owned by GDOT. USACE determines when the areas are at capacity and the dikes surrounding the area need to be raised. As a result, GDOT has been notified by USACE that there will be costs associated with dike raising projects in FY 2016.

**Recommendation: Provide \$4,664,450 in General Obligation bonds to fund the Savannah Harbor dike raising project.**

## ***Department of Transportation***

### **ZBB Program: Intermodal**

#### ***FY 2016 Zero-Based Budget Report***

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7. The Intermodal program updates the State Rail Plan approximately every five years. The plan, last updated in 2009, documents the existing passenger and freight rail network, identifies deficiencies, and provides policy recommendations. The next update will be completed in December 2014. The State Rail Plan is an effort to comply with federal mandates required by the Passenger Rail Investment and Improvement Act of 2008. The Rail priority project list is updated annually and should take into consideration the analysis performed in the plan; projects should be funded according to the priority list.  
**Recommendation: Annually update the Rail priority project list and the status of current projects, and provide to OPB as part of the annual budget submission.**
8. The Intermodal program updates the Statewide Aviation System Plan approximately every ten years. The Statewide Aviation System Plan, last updated in 2003, consists of an overview of the existing airport system, an analysis of the current service and passenger demand, deficiencies in service, maintenance needs, and estimated costs associated with recommended improvements. The next Aviation System Plan update should be published in 2015. The Airport Aid priority project list is updated annually and should take into consideration the analysis performed in the plan; projects should be funded according to the priority list.  
**Recommendation: Update annually the Airport Aid priority project list and the status of current projects, and provide to OPB upon notification of federal eligibility.**
9. The FY 2014 budget included \$8,000,000 in the Intermodal program for regional airport projects. These funds were used to fund runway extension projects in Hinesville and Tifton that were not eligible for federal funding.  
**Recommendation: Reduce funds for grants and benefits by \$5,351,719.**
10. The Intermodal program assists local governments in completing airport maintenance and capital improvement projects. GDOT's rules and regulations suggest that the agency should provide no more than 50% in state funds towards the non-federal share of project costs for airport capital improvement projects. In FY 2015, the agency provided 75% in state general funds towards the non-federal share of project costs for airport capital improvement projects.  
**Recommendation: Revise current practices to coincide with agency rules regarding the maximum contribution of state funds for airport capital improvement projects.**
11. The program's budgeted fleet does not accurately reflect the number of vehicles associated with this program. There are 54 authorized motor vehicles, but there are actually 56 motor vehicles budgeted in the program.  
**Recommendation: Perform an annual review of fleet inventory to ensure they are linked to the appropriate program for budget and expense purposes. Amend the authorized motor vehicle count to reflect the correct number of vehicles budgeted in the program.**

## Department of Transportation

### ZBB Program: Intermodal

#### Key Activities and Alternative Approach

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Airport Aid</b>	Performs biennial safety inspections and assesses a \$100 per runway licensing fee; conducts annual statewide planning studies in order to catalog and assess individual airports and recommend improvements; awards federal and state grants to publicly owned local airports for maintenance and improvement projects; Administers the Federal Aviation Administration's State Block Grant Program; publishes state aeronautical chart every odd numbered year; publishes state airport directory every even numbered year; maintains the Statewide Aviation System Plan.	OCGA 32-2-2, 32-9-7, 32-9-8	5	\$10,598,291	\$46,141,643	(\$5,351,719)	\$5,246,572
<b>Ports and Waterways</b>	Serves as the state sponsor for the US Army Corps of Engineers dike raising/port deepening projects, and manages the Dredged Material Containment Areas near the Port of Savannah and the Port of Brunswick.	OCGA 32-2-2	1	856,243	856,243	0	856,243
<b>Rail</b>	Produces the State Rail Plan, generates rail planning studies, and manages rail leases.	OCGA 32-9-6, 46-9-291	2	363,590	451,829	0	363,590
<b>Transit</b>	Administers state and federal formula grant programs for 15 Metropolitan Planning Organizations (MPO) and 122 Rural and Small Urban Transit Systems; administers the Federal Transit Authority's (FTA) Intercity bus program and rural training assistance program; conducts statewide transit planning systems and data collection; coordinates rural human services transportation with other state agencies including the Department of Human Services (DHS) and the Department of Community Health (DCH); and administers FTA State Safety Oversight program for fixed guideway rail.	OCGA 32-2-2, 32-9-10	19	3,210,353	34,540,720	0	3,210,353
<i>Total</i>			27	\$15,028,477	\$81,990,435	(\$5,351,719)	\$9,676,758

#### Alternative (Alternative approach to delivering program services as provided by the agency)

No alternative approaches to program service delivery are recommended at this time.

**Department of Transportation**  
**ZBB Program: Intermodal**

*Financial Summary*

	Expenditures		FY 2015	Zero Based Budget Review	
Objects of Expenditure	FY 2013	FY 2014	Current Budget	Changes	Recommendation
Personal Services	\$2,228,616	\$2,453,873	\$2,683,522	\$0	\$2,683,522
Regular Operating Expenses	1,095,163	1,491,371	1,516,915	0	1,516,915
Motor Vehicle Purchases	161,300				
Equipment					
Computer Charges	72,892	11,190	22,567	0	22,567
Real Estate Rentals	82	7,068			
Telecommunications					
Contractual Services	1,299,864	4,950,878	865,000	0	865,000
Capital Outlay	9,441,477	5,487,516			
Grants and Benefits	79,341,498	61,879,107	76,902,431	(5,351,719)	71,550,712
Indirect Costs	2,009	382			
<b>Total Expenditures</b>	<b>\$93,642,901</b>	<b>\$76,281,385</b>	<b>\$81,990,435</b>	<b>(\$5,351,719)</b>	<b>\$76,638,716</b>
<b>Fund Type</b>					
State General Funds	\$5,975,596	\$7,256,544	\$15,028,477	(\$5,351,719)	\$9,676,758
Federal Funds	67,078,575	59,138,357	66,861,369	0	66,861,369
Federal Recovery Funds	9,542,212	83,180			
Other Funds	11,046,518	9,803,304	100,589	0	100,589
<b>Total Funds</b>	<b>\$93,642,901</b>	<b>\$76,281,385</b>	<b>\$81,990,435</b>	<b>(\$5,351,719)</b>	<b>\$76,638,716</b>
Positions*	31	31	27	0	27
Motor Vehicles	166	54	54	0	54

\* Position counts shown under expenditures reflect the number of salaried, benefit eligible employees as of June 30 of that fiscal year.

**Department of Transportation**  
**ZBB Program: Intermodal**

*Performance Measures*

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**Agency Purpose:**

The Department of Transportation plans, constructs, maintains, and improves the state's roads and bridges and provides planning and financial support for other modes of transportation.

**Program Purpose:**

The purpose of this program is to support the planning, development, and maintenance of Georgia's Airports, Rail, Transit, and Ports and Waterways to facilitate a complete, connected, and seamless statewide transportation system.

**Performance Measures**

	Actuals			
	FY 2011	FY 2012	FY 2013	FY 2014
1. Percentage of airports meeting state licensing requirements (target 95%)	89%	88%	87%	85%
2. Percentage of airports with instrument approaches (target 95%)	85%	87%	87%	87%
3. Percentage of airports with runway lengths meeting system plan development goals (target 95%)	81%	82%	84%	85%
4. Number of transit contracts provided to sub recipients	278	370	279	187
5. Percentage of counties covered by transit contracts	N/A	N/A	70%	77%
6. Number of days occurring between the receipt of Federal Transit Authority funds and the execution of Local Transit contracts	N/A	N/A	30	30
7. Number of track miles rehabilitated	N/A	N/A	26	38
8. Percentage of state funds used to leverage federal matching dollars for airport maintenance and improvement projects	100%	100%	88%	91%
9. Value of state funded grant awards for airport maintenance and improvement projects	\$1,087,899	\$1,470,952	\$1,472,174	\$2,178,795



# **FY 2016 Zero-Based Budget Analysis**

Department of Transportation

ZBB Program: Local Maintenance and Improvement  
Grants

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## ***Department of Transportation***

# **ZBB Program: Local Maintenance and Improvement Grants**

## ***FY 2016 Zero-Based Budget Report***

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### **Purpose of Review**

The Local Maintenance and Improvement Grants (LMIG) program assists local governments with funding local transportation projects and provides local governments with the resources needed for engineering and construction. The purpose of this review is to evaluate the operations of this program in order to identify any potential operating efficiencies.

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### **Results of Analysis**

1. Statutory Alignment: Program activities are aligned with statutory responsibilities.
2. Staffing Levels: There are no positions funded in this program.
3. Fleet Management: There are no motor vehicles assigned to the program.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. The updated measures accurately reflect the performance of the program.
5. Budget Impact: Maintain the current funding level.

#### Program Operations:

6. State law requires the Georgia Department of Transportation (GDOT) to provide 10% to 20% of annual state motor fuel collections to Georgia's 159 counties and 532 city governments through the Local Maintenance and Improvement Grants (LMIG) program. By state law, Motor Fuel Funds can only be used for roadway and bridge projects. Grant awards are determined by a formula based on the city's or county's road miles and population. In May of each year, local governments receive notification of their grant award for the upcoming fiscal year. The local governments must submit an application for approval of projects to the Local Grants Office by the beginning of each fiscal year. Each region's local government must provide a 30% match, or a 10% match for the Transportation Investment Act (TIA) regions. As a result of the allocation formula, the median grant award a county received in FY 2014 was \$432,296 and the median grant award a city received was \$25,060. Approximately 80% of the projects approved in FY 2014 were road resurfacing projects. Other projects included bridge rehabilitations, road striping, and intersection improvements.
7. Grants are processed by 13 positions, including engineers and business operations generalists, funded in the Construction Administration program. These positions also administer grant funds for the Local Road Assistance Administration program. Applications are reviewed to ensure cost estimates are reasonable, projects are in compliance with Motor Fuel Funds use, and applications are in compliance with the State Audit Act and Service Delivery Act. The Department also provides guidance and technical support to locals when developing their project lists.

***Department of Transportation***

**ZBB Program: Local Maintenance and Improvement Grants**

***FY 2016 Zero-Based Budget Report***

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8. GDOT has very little oversight on projects once an application is approved and the grant is awarded. Local governments are responsible for all preliminary engineering, right of way, and construction activities. Projects are audited at completion to ensure that they are complete, there are no premature deficiencies, and they match the approved project list. No standardized requirements exist related to project completion timeframe.

**Recommendation: Continue to monitor projects for completion and create benchmarks for the completion of projects. Consider including these benchmarks as standards for future fiscal year awards and projects.**

**Department of Transportation**

**ZBB Program: Local Maintenance and Improvement Grants**

*Key Activities and Alternative Approach*

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
Local Maintenance and Improvement Grants	Formula-based grants to provide funding for capital outlay to local governments for local road and bridge projects, which could include striping, resurfacing, and intersection improvements.	OCGA 32-5-27		\$122,470,000	\$122,470,000	\$0	\$122,470,000
<i>Total</i>			0	\$122,470,000	\$122,470,000	\$0	\$122,470,000

**Alternative** (Alternative approach to delivering program services as provided by the agency)

No alternative approaches to program service delivery are recommended at this time.

**Department of Transportation**

**ZBB Program: Local Maintenance and Improvement Grants**

*Financial Summary*

	Expenditures		FY 2015	Zero Based Budget Review	
Objects of Expenditure	FY 2013	FY 2014	Current Budget	Changes	Recommendation
Personal Services					
Regular Operating Expenses					
Motor Vehicle Purchases					
Equipment					
Computer Charges					
Real Estate Rentals					
Telecommunications					
Contractual Services					
Capital Outlay	\$1,398,767	\$3,056,990			
Grants and Benefits	153,627,195	125,635,389	\$122,470,000	\$0	\$122,470,000
<b>Total Expenditures</b>	<b>\$155,025,962</b>	<b>\$128,692,379</b>	<b>\$122,470,000</b>	<b>\$0</b>	<b>\$122,470,000</b>
<b>Fund Type</b>					
Motor Fuel Funds	\$109,988,081	\$121,353,229	\$122,470,000	\$0	\$122,470,000
Prior Year Motor Fuel Funds	45,037,881	7,339,150			
<b>Total Funds</b>	<b>\$155,025,962</b>	<b>\$128,692,379</b>	<b>\$122,470,000</b>	<b>\$0</b>	<b>\$122,470,000</b>
Positions					
Motor Vehicles					

## ***Department of Transportation***

# **ZBB Program: Local Maintenance and Improvement Grants**

### *Performance Measures*

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#### **Agency Purpose:**

The Department of Transportation plans, constructs, maintains, and improves the state's roads and bridges, and provides planning and financial support for other modes of transportation.

#### **Program Purpose:**

The purpose of this program is to assist local governments with funding local transportation projects and providing local governments with the resources needed for engineering and construction.

#### **Performance Measures**

1. Total number of projects funded

Actuals			
FY 2011	FY 2012	FY 2013	FY 2014
563	561	592	609



# **FY 2016 Zero-Based Budget Analysis**

State Board of Workers' Compensation  
ZBB Program: Board Administration

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## ***State Board of Workers' Compensation***

### **Board Administration**

#### ***FY 2016 Zero-Based Budget Report***

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##### **Purpose of Review**

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The purpose of this review is to identify areas of cost savings for the Board Administration program and to better align funding.

##### **Results of Analysis**

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1. Statutory Alignment: Program activities are aligned with statutory responsibilities.
2. Staffing Levels: The program has 19 full-time benefit eligible employees.
3. Fleet Management: There is one motor vehicle assigned to the program.
4. Performance Measures: OPB worked with the agency to identify metrics for key program activities. The updated measures accurately reflect the performance of the program.
5. Budget Impact: Reduce funds by \$725,427. See recommendations below.

##### Program Operations:

6. This program is funded entirely by assessments of the insurance companies and self-insured companies of Georgia. This amount is remitted to Treasury, and is then appropriated by the legislature to the agency for operations.
7. In FY 2014 the telecommunications budget was increased by \$449,429 to reflect an adjustment in expenses. However, expenses were not as large as anticipated.

**Recommendation: Reduce telecommunications by \$150,000.**

- 8 The payment to the State Treasury was originally set-up on a temporary basis when budgets were being cut due to revenue shortfalls. Now that across the board cuts have expired, the same should happen to the payments to State Treasury. In the FY 2015 budget, the payment to the State Treasury was decreased by \$575,427; from \$5,303,747 to \$4,728,320.

**Recommendation: Reduce payment by \$575,427 and evaluate the need for further reductions.**

**Recommendation: Any year where there is a payment to the State Treasury to be made, OPB should not allot a portion of the appropriation equal to that payment until the final period. This will allow the state to earn more interest.**

## State Board of Workers' Compensation

### Board Administration

#### Key Activities and Alternative Approach

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Executive Management</b>	Oversees the day-to-day operations of the State Board of Workers' Compensation which includes, but not limited to, the Administration et.seq Program.	OCGA 34-9-40	2.0	\$533,032	\$533,032	\$0	\$533,032
<b>Accounting</b>	Maintains and accounts for all income and expenditures, which includes the processing of vendor invoices on a daily basis. Audits employee travel expenses and processes ACH payments. Reconciles all TeamWorks financial transactions within subsidiary modules on a monthly basis.	OCGA 34-9-40 et.seq	1.0	291,827	291,827	0	291,827
<b>Budgeting</b>	Prepares the Annual Operating Budget and submits all allotments and amendments to the budget.	OCGA 34-9-40 et.seq	1.0	234,360	434,360	0	234,360
<b>Purchasing</b>	Purchases all supplies and equipment and maintains adequate inventory levels.	OCGA 34-9-40 et.seq	1.0	192,763	192,763	0	192,763
<b>Human Resources</b>	Is responsible for traditional HR Services, including payroll processing, recruitment of qualified individuals, retention of valuable employees, training, development and education to promote individual success, provide a safe and healthful working environment, and provide an effective communication and feedback environment.	OCGA 34-9-40 et.seq	2.0	449,903	449,903	0	449,903
<b>Billing</b>	Prepares and mails invoices on a daily basis for file copies as requested by attorney offices representing clients involved in Workers' Compensation injury claims. Collects and deposits funds received for payment of said invoices and monitors collection activities to ensure all accounts are paid within 30-60 days.	OCGA 34-9-40 et.seq	1.0	136,208	201,687	0	136,208
<b>Assessment</b>	Assesses over 800 insurance companies and self-insurers for the Board's operational funds. The assessment process includes underwriting a premium calculation for approximately 400 self-insurers.	OCGA 34-9-63 et.seq	1.5	155,698	155,698	0	155,698



## State Board of Workers' Compensation

### Board Administration

#### Key Activities and Alternative Approach

Key Activities (Listed in priority order as determined by Agency)						Zero Based Budget Review (State Funds)	
		Authority	No. of Positions	FY 2015 State Funds	FY 2015 Total Budget	Changes	Recommendation
<b>Stakeholder Training</b>	Responsible for the development of quality educational programs and reference materials for all parties affected by the Georgia Workers' Compensation Law. Currently, one large conference is held annually with six regional seminars held throughout the state.	OCGA 34-9-40 et.seq	1.5	\$221,418	\$221,418	\$0	\$221,418
<b>Informational Technology</b>	The IT staff provides the support for all the Boards applications and functions, including ICMS, email, fax scanning, telephone, and network connectivity. Helpdesk support, security, and backup are maintained in our on-site data center. The team is currently focused on upgrading ICMS I for improvements in stability and efficiency to ICMS II.	OCGA 34-9-40 et.seq	8.0	3,600,365	3,600,365	(150,000)	3,450,365
<b>Payments to State Treasury</b>	Funding to cover percentage decreases in budget and for payments for various state services.		0.0	4,728,320	4,728,320	(575,427)	4,152,893
			19	\$10,543,894	\$10,809,373	(\$725,427)	\$9,818,467

#### Alternative (Alternative approach to delivering program services as provided by the agency)

No alternative approaches to program services delivery are recommended at this time.

# State Board of Workers' Compensation

## Board Administration

### Financial Summary

Objects of Expenditure	Expenditures		FY 2015	Zero Based Budget Review	
	FY 2013	FY 2014	Current Budget	Changes	Recommendation
Personal Services	\$2,166,254	\$1,792,229	\$1,912,928	\$0	\$1,912,928
Regular Operating Expenses	371,479	338,012	399,086	0	399,086
Motor Vehicle Purchases					
Equipment	17,169	20,163			
Computer Charges	389,461	479,361	244,212	0	244,212
Real Estate Rentals	1,273,496	1,304,233	1,319,591	0	1,319,591
Telecommunications	304,050	285,190	476,222	(150,000)	326,222
Contractual Services	1,126,395	1,573,801	1,529,014	0	1,529,014
Payment to State Treasury	5,303,747	5,303,747	4,728,320	(575,427)	4,152,893
<b>Total Expenditures</b>	<b>\$10,952,052</b>	<b>\$11,096,736</b>	<b>\$10,609,373</b>	<b>(\$725,427)</b>	<b>\$9,883,946</b>
<b>Fund Type</b>					
State General Funds	\$10,662,573	\$11,031,257	\$10,543,894	(\$725,427)	\$9,818,467
Other Funds	289,479	65,479	65,479	0	65,479
<b>Total Funds</b>	<b>\$10,952,052</b>	<b>\$11,096,736</b>	<b>\$10,609,373</b>	<b>(\$725,427)</b>	<b>\$9,883,946</b>
Positions*	19	19	19	0	19
Motor Vehicles	1	1	1	0	1

\* Position counts shown under expenditures reflect the number of salaried, benefit eligible employees as of June 30 of that fiscal year.

## ***State Board of Workers' Compensation***

### **Board Administration**

#### *Performance Measures*

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##### **Agency Purpose:**

To administer the workers' compensation law under Title 34-9-40 of the State of Georgia.

##### **Program Purpose:**

The purpose of this program is to provide the administrative functions for the State Board of Workers' Compensation.

##### **Performance Measures**

1. Total payments processed
2. Number of audit findings
3. Employee turnover rate
4. Average days to make a payment
5. Percentage of payments made electronically

Actuals			
FY 2011	FY 2012	FY 2013	FY 2014
1,771	1,784	1,796	1,626
N/A	N/A	N/A	N/A
0%	0%	21%	16%
1.5	1.5	1.5	1.5
6%	7%	63%	83%

**GOVERNOR'S OFFICE OF PLANNING AND BUDGET**

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