

# FAMILY & POLICY



AN ADVOCACY PROGRAM OF

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## In a joint session of House and Senate Appropriations committees, legislators questioned agency heads about their budgets.

They tried to understand the impact of budget cuts the departments are proposing in response to Gov. Perdue's instructions for dealing with the economic downturn. A few details

emerged. DHR Commissioner B.J. Walker stated that 232 eligibility workers and 709 caseworkers (out of 3,400) will be cut by attrition. She also indicated that total cuts to public health will be 19.5%. Some questions centered on how much money and how many staff will be transferred from DHR to the new Department of Health (assuming legislation passes) and whether independent accountants would be involved. Com. Walker said they are still examining the transaction history and that an accounting group would look at the data, although she could not say when information would be available. She also got questions on whether federal funds are lost because of the cuts, how Georgia will comply with its agreement with the Justice Department to improve care in mental hospitals, whether privatization will go forward, why jails are taking care of people with mental illness, and what will happen to seniors trying to live in their communities as programs are cut. DCH's Commissioner Rhonda Medows faced questions about the hospital fee proposed in the Governor's budget to help fill a funding gap in Medicaid. Advocates are still trying to get more details on much of the budget.

**Lawmakers also heard troubling state tax revenue forecasts.** Economist Kenneth Heaghey projected that even if Georgia cuts its budget by \$2 B (about 10%), tax revenues will still produce \$600 M less than is needed in FY 2011 (beginning July 2010). He believes such shortfalls will continue for at least three years and says officials could have to decide whether to cut further or raise revenues. Georgia Budget and Policy Institute

experts point to structural deficiencies in the taxation system they say must be addressed. See [www.gbpi.org](http://www.gbpi.org).

**The federal stimulus package could bring Georgia \$5.6 Billion.** President Obama's American Recovery and Reinvestment Plan could bring some near-term relief, and

experts say it could create 143,000 jobs here. Now being marked up in the U.S. Senate Finance Committee, the plan includes such measures as tax cuts, spending on infrastructure projects, unemployment insurance, fiscal relief for Medicaid, and help with COBRA coverage for people losing jobs.

For details, see [ARRP - Senate Finance](#). The President wants a bill by mid-February, although it is drawing opposition in some quarters, including from some of Georgia's delegation.

**A few bills of interest have been introduced.** [HB 2](#) (Rice, 51<sup>st</sup>) would require state grantees to comply with laws requiring verification of citizenship status for new employees or subcontractors as well as verification of lawful presence of adults requesting services. It is in the House Appropriations Committee. [SB 3](#) (Murphy, 27<sup>th</sup>) would require insurers and pharmacy benefits managers to speed up prior approvals for prescription drugs, would set rules regarding nonpreferred drugs and step-therapy, and in some instances would require the insurers or managers to reimburse doctors and give discounts to patients. It would require entities distributing drugs for Medicaid and PeachCare patients to distribute generics when available and appropriate. [SB 3](#) is in Senate Insurance and Labor. [HB 20](#) (Oliver, 83<sup>rd</sup>) would require DHR and the Trauma Commission to adopt regulations regarding the operation of public benefits and grants through the formal Administrative Procedures Act (APA) process with an opportunity for public comment. Currently they are exempted from the APA. [SB 20](#) is in House governmental Affairs.

## Highlights

- The General Assembly was in recess for Dr. King's Birthday and President Obama's inauguration, then held hearings on agency budgets.
- It reconvenes on Monday, January 26<sup>th</sup>. The House opens at 10:00 a.m. and the Senate begins at 1:00 p.m.

## Action needed! You can help!

Locate your Representative and Senator: [www.votesmart.org](http://www.votesmart.org)

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