

# State of Georgia FY 2025 Budget Brief

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HOUSE BUDGET AND RESEARCH OFFICE



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# Fiscal Year 2025 Total Budget by Fund Source

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<b>\$66.8 Billion</b>	<b>Total Funds</b>
\$36.1 Billion	State Funds
\$19.0 Billion	Federal
\$ 5.9 Billion	Other
\$ 5.8 Billion	Intra-State Government Transfers



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# FY 2025 State Funds

## \$36,136,224,227

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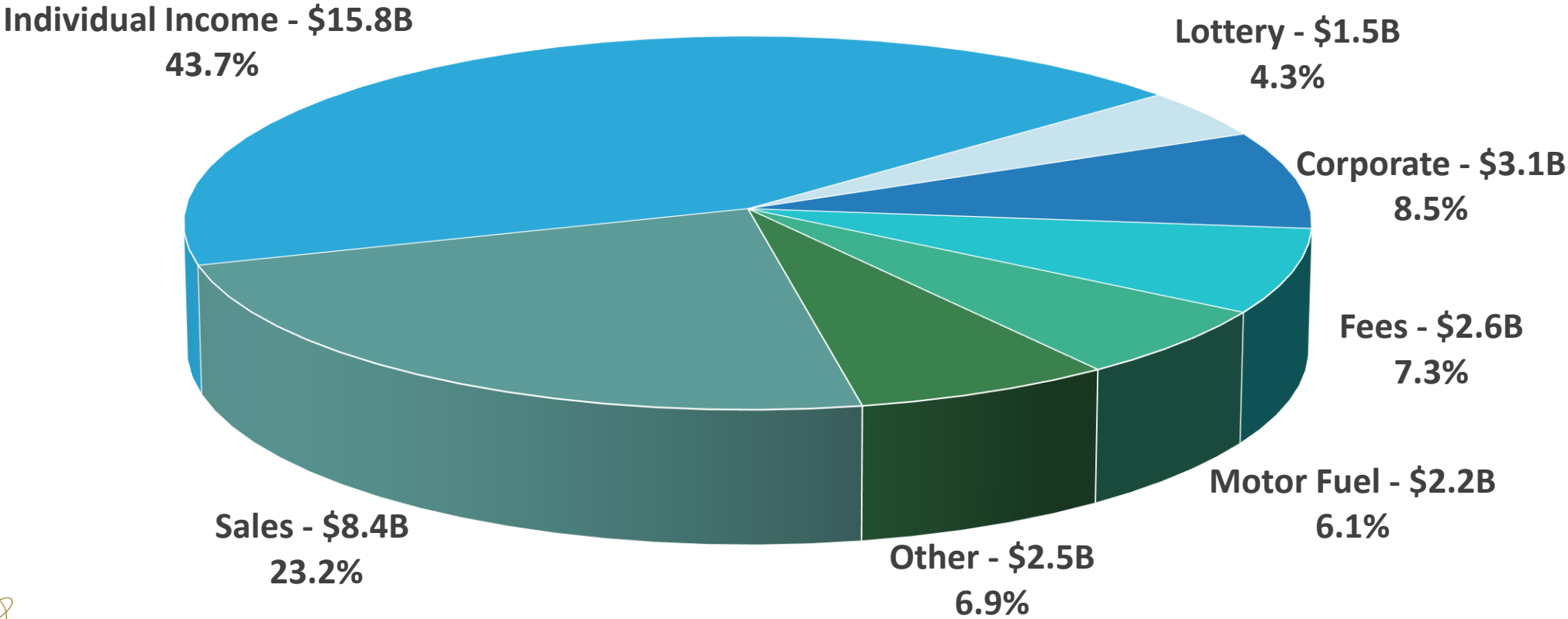
- **State General Funds - \$31.3 billion**
  - Sales and Income Tax comprise 75.4% of state tax collections
  - State sales tax is 4% with some exceptions
- **Lottery Funds - \$1.6 billion**
  - Restricted uses for HOPE Scholarships/Grants and Pre-K
  - Has its own Reserve Account
- **Tobacco Settlement Funds - \$148.6 million**
  - Revenue source used primarily for health programs
- **Motor Fuel Funds - \$2.2 billion**
  - Designated for roads and bridges
  - 32 cents/gallon excise tax (36 cent/gallon diesel); \$5/day hotel fee; and \$210.87 annual fee for alternative fueled vehicles (\$316.40 for commercial)
- **Health Care Provider Fees - \$563.9 million**
  - Nursing homes, \$152.9 million
  - Hospitals, \$411.0 million



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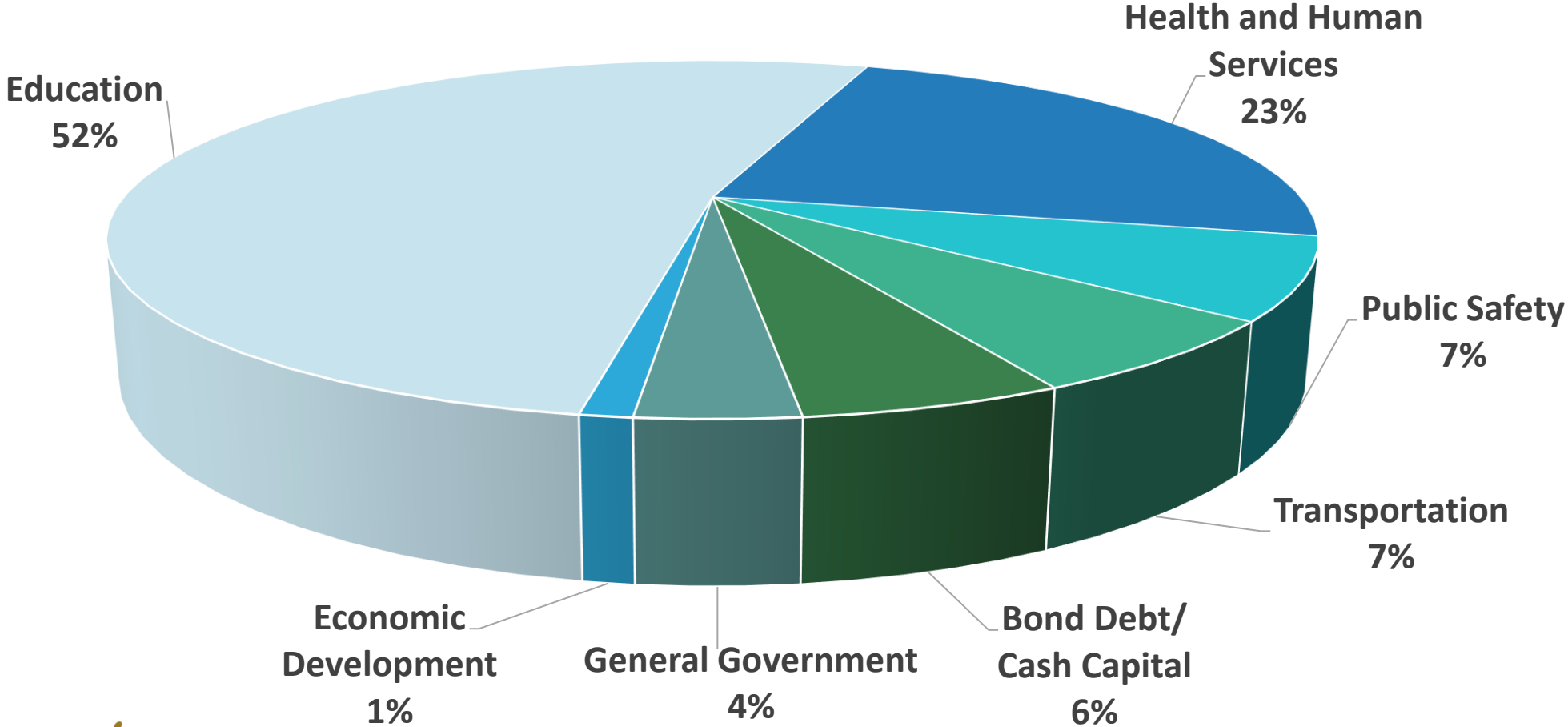
# FY 2025 State Revenue by Fund Source



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# FY 2025 Budget by Policy Area



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# Priorities: Over 90% of All State Funding is in 12 Departments

Rank	Agency	FY 2025 State Funds	Percent of Budget	Cumulative Percent
1	Education, Department of	\$13,249,375,595	36.67%	36.67%
2	Community Health, Department of	\$5,262,581,021	14.56%	51.23%
3	Regents, University System of Georgia	\$3,389,252,304	9.38%	60.61%
4	Transportation, Department of	\$2,388,903,670	6.61%	67.22%
5	GO Debt Sinking Fund/Cash Capital Projects Fund	\$2,057,568,789	5.69%	72.91%
6	Behavioral Health and Developmental Disabilities, Dept. of	\$1,652,842,691	4.57%	77.49%
7	Corrections, Department of	\$1,495,621,218	4.14%	81.62%
8	Student Finance Commission, Georgia	\$1,155,710,040	3.20%	84.82%
9	Human Services, Department of	\$1,028,095,764	2.85%	87.67%
10	Early Care and Learning, Department of	\$613,306,642	1.70%	89.37%
11	Technical College System of Georgia	\$489,183,833	1.35%	90.72%
12	Public Health, Department of	\$431,886,865	1.20%	91.91%
13-50	Remaining 38 Agencies	\$2,921,895,795	8.09%	100%
	<b>Total</b>	<b>\$36,136,224,227</b>		<b>100%</b>



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# Budget Highlights

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# Education

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- From Pre-K to Postsecondary, funding for education at \$18.9 billion makes up 52% of the state budget.
- **\$14.1 billion** in **QBE formula** earnings funds **1,742,473 students** and **134,899 teachers**; a record amount of state funds provided to K-12 education.
- **\$373.6 million** to fund a **\$2,500 teacher payraise**, for a total adjustment to the state base salary schedule of **\$9,500 since FY 2020**.
- \$7.8 million for a 4.1% pay raise for other education staff including bus drivers and lunchroom workers. \$8.5 million for a \$1,000 salary supplement for school custodians.
- **\$109 million** for **school safety and security grants** for infrastructure or ongoing operating expenses, including school resource officers.
- \$200 million in additional funding for pupil transportation based on updated buses, mileage, and operating expenses.
- **\$6.3 million** to provide more than **17 million breakfasts and lunches** at no cost to reduced-price eligible students.



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# Education (cont.)

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- **\$9.3 million** to increase **Childcare and Parent Services (CAPS)** reimbursement rates for childcare providers from the **25<sup>th</sup> percentile** to above the **50<sup>th</sup> percentile**.
- **\$97.6 million** - the **largest infusion of lottery dollars** into the Pre-K program in 30 years. This includes **\$25 million** for a **\$2,500 salary increase** for Pre-K teachers and assistant teachers and more than **\$57.5 million** in new lottery funds to implement recommendations provided by the **House Early Childhood Education Working Group**. These recommendations include:
  - \$9.5 million to reduce class size from 22 to 20 students, phased-in over four years;
  - \$17.5 million to increase start-up grants for new classrooms; provide class room replenishment grants every five years; and increase transportation funding;
  - \$11.5 million for an operating increase for private Pre-K providers; and
  - \$19.5 million to improve Pre-K lead teacher and assistant teacher pay by bringing pay parity between Pre-K assistant teachers and K-12 paraprofessionals and moving Pre-K lead teachers to the State Board of Education salary schedule.



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# Higher Education

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- \$66 million to restore formula earnings for the Board of Regents reduced in FY 2024.
- **\$1.5 million** to establish the **David Ralston Center for Behavioral Health and Developmental Disabilities** at the University of Georgia to create a pipeline of professionals who serve Georgians with intellectual and developmental disabilities.
- \$1.9 million to the Technical College System of Georgia to fund 22 additional campus officers to serve at campus police departments throughout the system.
- **\$7.4 million** in targeted funds for TCSG to provide increased credit hour earnings for the high-demand program areas of **aviation, commercial truck driving, and nursing** to reflect the high-cost nature of providing these highly-needed programs.
- \$15 million in additional funds for the Dual Enrollment program to serve more than 50,000 Georgia students annually.
- Increased Tuition Equalization Grant (TEG) award amount from \$1,000 per year to \$1,100 per year.



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# Health and Human Services

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- The second largest and fastest growing portion of the budget at 23% or \$8.4 billion includes funding for some of the most vulnerable Georgians.
- Three provider rate increase studies funded: **\$39 million** for the **elderly and independent care waiver** programs; **\$79.9 million** for **NOW/COMP program**; **\$26.7 million** for **behavioral health providers**.
- Nearly \$20 million in rate increases for providers serving Medicaid patients and \$15.9 million for providers who serve medically fragile children through the Georgia Pediatric Program (GAPP).
- **\$10.5 million** to provide **basic dental services** for adults on Medicaid; previously only emergency dental procedures were covered.
- \$6.2 million in one-time funds for the State Health Benefit Plan (SHBP) to provide a \$3 per prescription dispensing fee for independent pharmacists.



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# Health and Human Services (cont.)

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- **\$4 million** as part of a multi-year plan to stabilize the **Georgia Trauma Care Network**.
- \$2.5 million to expand jail-based competency restoration programs.
- \$1 million to expand the Apex program to additional schools. The program provides several services utilizing mental health professionals, including community education, at home visits, virtual visits, group counseling, and individual counseling.
- **\$8.4 million** for a **3% provider increase** for child caring institutions, child placing agencies, foster parents, and relative caregivers.
- **\$1 million** to support **active-duty military members** and **veterans** with **behavioral health services**.
- The Department of Veterans Services is also appropriated \$121,250 for a coordinator to work with veterans experiencing homelessness.



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# Public Safety

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- Public Safety comprises \$2.6 billion or 7% of the budget.
- **\$45.9 million** for an additional **\$3,000 increase** for **law enforcement officers** across 19 state agencies.
- **\$10.7 million** in new funding for **state prisons** for **security technology upgrades** to detect and prevent the introduction of contraband.
- \$3.5 million to fund a \$2 per diem increase for county correctional institutions. County correctional institutions are a vital part of Georgia's correctional framework. There are 21 county correctional institutions across Georgia housing an average of 4,526 inmates in FY 2023.
- **\$14.7 million** for **48 domestic violence shelters** and **28 sexual assault centers** to pay for administrative personnel and facility costs related to compliance with state standards. Another **\$4.3 million** for a dedicated **sexual assault nurse examiner (SANE) coordinator** in **27 sexual assault centers** and **21 satellite locations** equipped to perform forensic medical exams. This funding will ensure the integrity of critical forensic medical examinations needed for the prosecution of sexual assault.



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# Public Safety (cont.)

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- **\$2.7 million** in new state funds for the **Georgia Crime Victims Emergency Fund** for personal services and operating expenses associated with the fund, which is used to provide up to \$25,000 in compensation for expenses, loss of income, or support to victims of violent crime. In FY 2023, the Crime Victims Emergency Fund paid for 3,956 forensic medical exams, 9,900 forensic interviews of children and disabled persons, and processed over 20,000 claims for compensation.



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# Economic Development and Transportation

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- Economic Development is \$408 million or 1% of the budget.
- **\$10.7 million** in new funds for **housing initiatives** including:
  - \$1 million to create the accountable housing initiative to fund organizations who help homeless individuals obtain stable, immediate housing in the short-term and achieve affordable housing in the long-term.
  - \$3.7 million for the State Housing Trust Fund to improve homelessness services through new federal grant opportunities
  - \$6 million in existing funds for the Rural Workforce Housing Initiative. The program provides funding for projects that address current workforce housing needs by the expansion or improvement of the housing stock.
- \$2.4 billion or 7% of the budget for Georgia's transportation infrastructure.
- **\$79 million** in new funding for **construction and maintenance** on more than **125,000 miles of road**.



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# General Government and Capital Projects

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- General government agencies comprise \$1.2 billion or 4% of the state budget.
- **\$260 million** across all agencies to provide a **4% cost-of-living-adjustment** for state employees.
- \$1.5 million for a comprehensive overhaul of the Professional Licensing Boards Division in the Secretary of State's Office to include an additional 17 employees, temporary staff to address the current backlog of license applications and appeals, and related equipment and operating expenses.
- **\$5 million** for **third-party ballot-text auditing technology** to allow the Secretary of State's Office to audit and verify the validity of any election in the state without the use of QR codes.
- **Bond debt service payments** and **cash for new capital projects** totals **\$2 billion** or 6% of the budget.
- **\$866 million** in cash for **capital projects** in FY 2025. \$0 additional debt incurred.



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