

Georgia Women for a Change
Legislative Update on the Georgia General Assembly
February 15, 2010

The General Assembly is fast approaching the half way mark of the 2010 session as Day 20 is this Thursday, February 18. Committee activity is increasing and Bills are moving forward.

At our urging, members of the Women's Legislative Caucus have proposed to include among the Caucus priorities two issues from the Georgia Women's Economic Policy Agenda:

- *Create a Tax Expenditure Report (SB 206) to promote transparency and accountability that reveal how much special interest tax breaks are costing the state; and*
- *Add a \$1 tax increase for a pack of cigarettes in order to raise \$350 million to fund healthcare services and deter teens from smoking.*

Economic Security

Work Life Balance:

- **HB 37** **Parent Protection Act.** (Rep. Roger Bruce) requires employers to provide up to 24 hours per year of leave (paid or unpaid) to workers to attend a medical appointment for the employee or the employee's spouse or child; to accompany an elderly relative to a medical appointment; or to attend a school conference for a child of the employee.

Status: House Industrial Relations Committee. No action.

Poverty:

- **HB 935** **Georgia Commission on Reducing Poverty and Increasing Economic Security** (Rep. Roger Bruce) creates a new Commission to develop a comprehensive plan to reduce extreme poverty in Georgia by at least 50 percent by 2015, addressing issues of access to safe, decent, affordable housing; adequate food and nutrition; affordable and quality health care; quality education and training; dependable and affordable transportation; quality affordable child care; opportunities to engage in meaningful and sustainable work that pays a living wage; and adequate income supports.

Status: House Governmental Affairs Committee. No action.

Foreclosure Prevention:

- **SB 57** **Foreclosure Prevention** (Sen. Bill Hamrick) provides consumer protections against predatory loans that led to a high incidence of foreclosures and requires brokers to consider and document a borrower's ability to repay the loan, bans prepayment penalties and yield spread premiums (broker kickbacks from lenders), and requires brokers to act with a duty of good faith toward the borrower, etc.

Status: House Judiciary (Civil), Jacobs Subcommittee. This Bill passed the Senate in 2009 and is pending now in the subcommittee where several lengthy hearings have been held.

- **HB 972** **Extend Notice of Foreclosure and Right to Cure** (Rep. Billy Mitchell) extends the mandatory period of notice of foreclosure to a homeowner from 30 to 90 days, and provides the borrower with a right to “cure” their default during the 90 day period if they tender all past due payments, fees and penalties.
Status: House Judiciary (Civil), Jacobs Subcommittee. Several lengthy hearings have been held.
- **SB 371** **Include GBI in Investigation of Residential Mortgage Fraud** (Sen. Bill Cowsert) This is the Governor’s Bill to expand the authority to investigate the high rates of residential mortgage fraud now harming Georgians by expanding authority to the GBI to aid in investigations.
Status: Senate Judiciary.

Unemployment Insurance and TANF:

- **HB 1163** **Drug Testing to Disqualify Applicants for Unemployment Insurance and TANF Benefits** (Rep. Ben Harbin) This Bill would require random drug testing of applicants for unemployment insurance or TANF. Persons testing positive for illegal drugs would be required to complete a drug counseling program and then enroll in a job training course, or face two years of disqualification for benefits.
Status: House Industrial Relations Committee.

Budget Highlights

FY 2010 Amended and FY 2011 Budgets:

The House passed the FY 2010 Amended Budget last week (HB 947), mostly adopting the Governor’s proposed cuts totaling an additional \$1.15 Billion (including an additional three days furlough for all teachers and all state employees), amid news that revenues continued to drop for the 14th consecutive month. The House is now beginning work in earnest on the more complex challenges of the FY 2011 Budget as the Amended Budget moves on to the Senate for action. These budgets are overwhelmingly dominated by cuts to education, health and social services. So far, the leadership has been unwilling to explore adding revenues to balance the cuts to safety net programs, although a majority of states raised revenues last year in order to help close budget shortfalls caused by the recession.

The only area of enhanced funding is seen in the increase of \$60 Million badly needed for the Department of Behavioral Health and Developmental Disabilities, in accord with the requirements of a mandated settlement to improve services to people institutionalized in state mental hospitals and in accord with Olmstead requirements to move people out of institutions who can and wish to live in the community.

Although federal stimulus dollars, particularly dollars for Medicaid and Education, have helped to fill the holes in the budget -- \$1.4 Billion each in FY 2010 and FY 2011 -- these revenues will no longer be available in FY 2012. Most of the remaining shortfall has been addressed by extensive cuts to state services, especially education, with very limited proposals to expand

revenues (\$345 Million for CMO/Hospital Fee; \$287 Million for GEFA Securitization; and \$68 Million for CMO Insurance Premium Tax).

Significant Budget Cuts:

Department of Human Services:

- Family Violence Shelters cut \$300,000
- County Health Departments cut \$6 Million
- Work assistance supports for needy families cut \$4.1 Million
- Family Connection Partnership cut \$800,000
- Elder abuse investigations and prevention cut \$2.2 Million
- Elder community living services cut \$11.4 Million
- Area Agencies on Aging cut dedicated funds for respite care, adult day care, in-home care for seniors, Alzheimer services, kinship care for grandparents raising grandchildren, Senior Legal Hotline, etc.

Education:

- Cut Quality Basic Education formula by \$839 Million
- 3 days' furlough for all teachers (and all state employees) for FY 2010A
- Eliminate Regional Education Service Agencies (RESA's) - \$12.1 Million
- Eliminate National Board Certification salary increase for certified teachers - \$7.2 Million
- Reduce school nurse program by \$1.6 Million

Stimulus Options:

Georgia Women for a Change is urging legislators and agencies to take advantage of all federal stimulus funds available, including these programs:

- Federal TANF Emergency funds. \$165.4 Million in federal ARRA funds are available to Georgia for one-time expenditures for TANF recipients. Georgia has indicated it would spend these funds for non-recurring crisis expenses, teen summer work programs, and subsidized employment for low income adults. These funds provide an 80% federal match and must be expended by September 30, 2010.
- \$15 Million in federal funds is available for food stamp administrating to help with rising caseloads. The FY 10 Amended and FY 11 Budgets propose reducing Department of Human Services eligibility workers -- 64 workers this year and 138 in 2011. These workers process eligibility applications for food stamps, Medicaid and TANF benefits. However, DHS reports that food stamp caseloads grew 32% between December 2008 and December 2009. Georgia should use these funds to increase caseworkers to reach families in need.

Revenue and Tax Policy

In addition to the weak economy, Georgia's declining revenues can be traced to 20 years of cutting taxes, narrowing the state's tax base as our economy shifted from manufacturing to a service-based economy, and an out-of-date tax system that has not kept pace with changes in the economy. Tax policy that is fair, transparent and responsible will require significant reforms in Georgia. While there are some good proposals to increase transparency and accountability and raise revenues, many legislative initiatives continue to focus on extending, expanding or creating new tax cuts for special interests, especially for corporations and wealthy Georgians -- without a demonstrable benefit to the broad public interest.

- **SB 206 Tax Expenditure Report** (Sen. Greg Goggans) would provide increased transparency to government decisions about tax credits and exemptions by creating a "tax expenditure budget" that identifies the cost of all such policies.
Status: Passed Senate 2009. The Bill passed the House Appropriations Committee by Committee Substitute and is now pending in the House Rules Committee.

- **HB 1023 Jobs, Opportunity and Business Success Act of 2010** (Rep. Tom Graves with Lt. Gov. Casey Cagle and 20 other members of House and Senate) This Bill propose massive tax cuts to businesses and to Georgia's wealthiest taxpayers. Advocates believe this Bill is similar to HB 481 that passed on the last night of the session in 2009 and was later vetoed by the Governor because of its estimated \$1.2 Billion impact on the already decimated state budget. Among its provisions, HB 1023 would:
 - Waive fees for one year for persons starting a new business.
 - Income tax credit of up to half of the investment in a startup business with 20 or fewer employees.
 - Credit against unemployment insurance taxes of \$100 - \$500 per year per employee and a \$2,400 corporate tax credit for employers hiring a worker receiving unemployment benefits.
 - Eliminate the intangible tax for businesses.
 - Reduce long term capital gains tax by one half effective after the state's revenue reserve fund exceeds \$500 million. (Last year, it was estimated that 92% of the benefit of this tax cut would go to 5% of the wealthiest Georgians.)**Status: House Special Committee on Small Businesses and Job Development.**

Misc. Revenue Enhancement Proposals:

- **HB 39 Raise Cigarette Tax** (Rep. Ron Stephens) HB 39 would increase the state tobacco tax by \$1 per pack raising approximately \$400 million per year in additional revenue and have the additional health benefit of deterring teens from smoking.
Status: House Ways and Means Committee. Advocates are encouraging more members of the House to sign on to this Bill as co-sponsors.

- **SR 939 Eliminate Sales Tax Exemption on Lottery Tickets** (Senator Greg Goggans) This constitutional amendment would eliminate the sales tax exemption on

lottery tickets would produce an increase of \$130 million for the state and 492 million per year for cash strapped local governments. (See also **HB 928-933** (Rep. Chuck Sims)).
Status: Senate Finance Committee.

- **HB 1066** **Temporary Surcharge on Wealthiest Georgians** (Rep. Virgil Fludd)
HB 1066 would impose a temporary 1% income tax surcharge on the wealthiest 1% of Georgians earning over \$400,000 per year, generating \$225 Million per year.
Status: House Ways and Means.
- **HB 1065, 1067 and 1068** **Temporarily Cuts 15% of Tax Credits and Exemptions**
(Rep. Virgil Fludd) These Bills propose to share the reductions in state expenditures made in every department and program of state government to include the special interest tax credits and exemptions by reducing them 15% across the board.
Status: House Ways and Means Committee.

Access to Health Care and Reproductive Freedom

Federal Health Reform:

- Several Bills and Resolutions have been introduced on both sides to bar implementation of federal health care reform at the state level, e.g. **HR 1086**, **HR 1107**, **SB 317** (passed Senate Insurance and Labor), **SB 399**, **SR 794**, **SR 795** (passed Senate Judiciary), **SR 829**, and **SR 830**.

Health Insurance:

- **SB 309** **Sale of Out-of-State Health Insurance Policies** (Sen. Judson Hill) SB 309 provides for the availability of health insurance policies from other states and circumvents the consumer protections required for in-state insurers under Georgia law.
Status: Senate Insurance and Labor Committee.
- **SB 329** **Help Insure Young Adults** (Sen. Judson Hill) would raise the age parents may provide health insurance coverage for their dependant children to age 25, whether or not such children are enrolled full time in a post-secondary education program.
Status: Senate Insurance and Labor Committee.
- **SB 330** **Consumer Health Insurance Protections** (Sen. Preston Smith) would limit the ability of health insurers to cancel or rescind policies or refuse to pay claims based on alleged misstatements or omissions from applications unless that information directly relates to the condition being treated. It extends a parents' right to insure dependent children to age 25, regardless of whether the child is a full time student. HB 330 would bar health insurance plans from imposing annual or lifetime benefit limits.
Status: Senate Insurance and Labor Committee.

- **SB 331** *Small Business Co-ops* (Sen. Judson Hill) authorizes small businesses with 2 - 50 workers to cooperate to purchase group health insurance plans, and requires insurers to offer such plans.
Status: Senate Insurance and Labor Committee.

Reproductive Health:

- **SB 169** *Stem Cell Research Ban* (Sen. Ralph Hudgens) limits use of embryos in stem cell research and fertility treatment.
Status: Passed Senate in 2009. House Science and Technology Committee.
- **HB 948** *FY 2011 Budget. Support funding in FY 2011 DCH Public Health Budget for better birth outcomes through a Medicaid waiver for a 90-10 federal match for adult family planning services.*
Status: House Appropriations Committee.
- **HB 1155** *Ban on Abortions Based on Race or Gender* (Rep. Barry Loudermilk) In coordination with a well financed billboard campaign targeting African American women who have abortions, this Bill creates the crime of “criminal solicitation of abortion” for having, performing, soliciting or coercing a person to have an abortion based in any way on the race, color or sex of the fetus or of either parent.
Status: House Judiciary Non-Civil.

Other

- **HB 910** (Rep. Howard Maxwell) Modifies the annual reporting requirement for local school systems on issue of gender equity in sports.
Status: Passed House by Committee Substitute. Senate Education & Youth.
- **SR 886** (Sen. Ronnie Chance) urges Congress and Georgia state agencies to increase the nutritional quality and options provided to students through school lunches.
Status: Senate Education & Youth.

Needed Action Steps:

- **Support SB 206: Tax Expenditure Report**
Contact Speaker David Ralston (404.656-5020) and Rules Chairman Bill Hembree (404.656-5141 or bill.hembree@house.ga.gov) and ask them to allow SB 206 to be placed on the Rules Calendar for a vote on the House floor.

Also, urge your House Member to vote “Yes” on SB 206 to create a transparency and accountability for special interest tax breaks by creating a Tax Expenditure Report.

- **Support Revenue Enhancements to Balance Budget Cuts:**
Contact your Representative and your Senator and urge them to support measures that will balance deep Budget cuts with increases in revenues, such as an increased tax on cigarettes (HB 39), taxes on lottery tickets, and other revenue options.
- **Support Funding for Healthy Babies Medicaid Waiver:**
Urge Rep. Ben Harbin (House Appropriations Chair) and Rep. Mickey Channell (Health Subcommittee Chair) and the members of the Appropriations, Health Subcommittee who represent your District to support \$1 Million add to DCH’s Budget for Public Health to fund the state portion of the 90-10 federal match that provide for healthy birth outcomes under the Planning for Healthy Babies Medicaid Waiver Program.

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For copies of the Bills, list of sponsors, Committee assignments and up to the minute status on any of the legislation listed, or to find out who your Senator or Representative is, go to www.legis.state.ga.us

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