House Budget and Research Office

COVERDELL LEGISLATIVE OFFICE BUILDING, ROOM 412
ATLANTA, GEORGIA 30334
404-656-5050

CHRISTINE KILLACKY
DIRECTOR

AMENDED FISCAL YEAR 2026 STATE BUDGET
HOUSE BILL 973 – HOUSE HIGHLIGHTS

House Bill 973, the Amended Fiscal Year 2026 budget, is set by a revised revenue estimate of $42.3 billion. In addition to revenue growth, the governor's revenue estimate for the Amended FY 2026 budget includes $3.3 billion in surplus funds for a total infusion of $4.5 billion, or an increase of 11.9% over the original FY 2026 budget. The House budget focuses on many state priorities, including taxpayer relief and significant capital investments in our prison system and transportation infrastructure. A few notable highlights addressing these priorities include $850 million for the Homeowner Tax Relief Grant program, over $400 in capital investments in Corrections, and over $2 billion in transportation initiatives. The budget also provides $27 million to begin design and construction of a new Georgia Regional Hospital to address mental health and forensic bed capacity in our state, and $29.8 million to design, construct, and equip a building for a brand-new college of optometry at Georgia Southern University, filling a tremendous need for our state.

<u>Economic Development</u>

- The House supports the governor's recommendation of $3 million to the Department of Economic Development to promote Georgia tourism, update agency marketing material, and enhance recruiting efforts. HB 973 also includes $10 million for infrastructure and security costs related to the 2028 Super Bowl. In FY 2025, Georgia welcomed nearly 175 million visitors and experienced a total economic impact of $82 billion.
- House Bill 973 provides $1.1 million to the Department of Agriculture for prior year cost-of-living adjustments for which the agency did not receive increased federal reimbursement and to correct a formula correction shortfall for prior year cost-of-living adjustment.
- House Bill 973 provides $35 million to the Georgia Environmental Finance Authority to establish a state financing and assistance program for natural gas infrastructure improvements pursuant to SB 13 (2025 Session).
- The House supports the governor's recommendation of $50 million for the State Housing Trust Fund to address homelessness through matching funds to local governments and nonprofit organizations. According to the 2024 Annual Homelessness Assessment Report, there were 12,290 Georgians experiencing homelessness across the state, with 54% of those individuals experiencing unsheltered homelessness.
- The House version of the Amended FY 2026 budget includes $250,250 to support America250 Anniversary initiatives.

- The House supports the governor's recommendation of $10.9 million for the Georgia Forestry Innovation Initiative in partnership with Georgia Tech to support the timber industry's expansion into emerging markets through research, product testing, and private partnerships.
- House Bill 973 provides $148,545 to increase grants to counties with more than 20,000 acres of state-owned land pursuant to O.C.G.A. 48-14-1.
- The House supports the governor's recommendation of $15 million for rural site development. This program supports local economic development and is used to help communities establish development-ready sites.
- The House recommends $10 million for the State Forestry Commission to replace environmental cab tractors. The commission has 78 open air cabs that need replacement.

Education

- The Amended FY 2026 budget includes $366 million to provide a $2,000 pay supplement for all K-12 teachers, administrative staff, custodians, nutrition workers, school nurses, and bus drivers. House Bill 973 includes $17.2 million to the Department of Early Care and Learning (DECAL) to provide a $2,000 pay supplement to all teachers and assistant teachers.
- House Bill 973 provides $43.9 million to the Department of Education (DOE) for the Quality Basic Education (QBE) midterm adjustment to reflect current enrollment numbers. The formula also funds $57,601 in growth for charter system grants; $1.7 million for state completion special school grants; $27.1 million in growth for the state charter school supplement reflecting two additional schools; and $16.1 million in growth for the special needs scholarship.
- The Amended FY 2026 budget includes an additional $1.4 million for school social workers and $750,000 for a pilot program to assist districts in capturing the maximum reimbursement for mental health services. The House version of HB 973 also increases school security funds by $550,000 for an emergency response system pilot program.
- The Amended FY 2026 budget includes $1.4 million for college preparatory exams based on increased utilization. This brings the total appropriation for college preparatory exams to $7 million in the Amended FY 2026 budget. On average, 180,000 students take an AP or PSAT exam each year. The state funds one AP exam for each free and reduced-price lunch student and one AP STEM exam for any student.
- House Bill 973 provides $300,250 to the Governor's Office of Student Achievement (GOSA) to support the state's participation in America250 literacy initiatives. Funds will support statewide literacy and civic engagements by supporting libraries, schools, mayors, and community partners in hosting reading events and activities that celebrate Georgia's role in American history.
- The Amended FY 2026 budget provides $9 million to GOSA to develop a new Career Navigator System, which is an upcoming statewide digital tool that will connect students, jobseekers, and employers by aligning education and training pathways with in-demand careers to support workforce readiness and economic mobility.

General Government

- The House version of the Amended FY 2026 budget includes $50 million for the Employees' Retirement System of Georgia to strategically invest in increasing the funded ratio to improve long-term financial viability of the pension system and support state retirees.
- The House agrees with the governor's recommendation to provide $4.8 million for the Department of Administrative Services to establish the Wrongful Conviction and Incarceration Compensation Trust Fund. The trust fund was established by SB 244 (2025 Session) to create a consistent process through the Office of State Administrative Hearings to compensate individuals wrongfully convicted of felonies and incarcerated in the state.
- The House provides the Georgia Technology Authority (GTA) with $5 million to continue providing enhanced cybersecurity services to state agencies, as well as $35 million to modernize the Department of Community Health's Integrated Eligibility System. The House also directs the use of existing technology empowerment funds for call center enhancements at the Department of Labor to improve customer service capabilities, in addition to the governor's recommended uses for the ERP modernization timeline extension and the State Ethics Commission e-software project.
- To keep pace with the growing interest financial institutions have shown in the state, the House supports the governor's recommendation to provide the Department of Banking and Finance with $125,843 for two positions specializing in Merchant Acquirer Limited Purpose Banks to meet increased workload expected from new charters.
- House Bill 973 provides funding to the Department of Natural Resources for Parks, Recreation, and Historic Sites, including $1.25 million for erosion control at Crooked River State Park and $1 million for the Vince Dooley Battlefield Fund to acquire, protect, and preserve historic battlefield sites. Additionally, the Amended FY 2026 budget provides $1 million for the Tybee Island North Beach dune emergency stabilization project.
- The House also recommends $1 million for the Environmental Protection Division to support the air emissions program operations to allow for the preservation of existing revenue and delay a fiscal shortfall as a result of declining industry emissions. This will support the division's efforts in air quality monitoring, permitting, inspections, and compliance oversight.
- The House recommends the use of $850 million of undesignated state surplus for the Homeowner Tax Relief Grant (HTRG) program to allow for the maximum exemption on the assessed home value for each qualifying homestead in the 2026 tax year.
- The Amended FY 2026 budget recommends $15 million for the State Election Board for grants to county election offices. The House supports the governor's recommendation of $1.8 million to the Secretary of State's Office to utilize text-based ballot scanning technology for vote tabulation, as well as $5 million for a hand recount of ballots in statewide elections in the 2026 elections cycle.

Health

- To address future workforce needs, the House provide $17.8 million to the Georgia Board of Health Care Workforce for graduate medical education (GME) expansion programs in south Georgia. This funding will support over 103 new residency slots. The budget also includes $100,000 to promote

rural residency programs where medical school students can network and learn about residency opportunities across rural Georgia.

- To expand access to care, the House includes $4.8 million in the Department of Community Health to establish a new grant program to support new rural medical and dental clinics; $2.5 million to increase funds to support spinal injury services; and $155,251 for portable ultrasounds to aid in the training of internal medicine residents.
- Within the Department of Public Health, the Amended FY 2026 budget includes $150,000 for charitable dental care. This will support two clinic events to provide dental services at no cost to patients, including any preventative, restorative, and educational dental services.
- HB 973 also provides $200,000 to expand the Medical College of Georgia's partnership with Clark Atlanta University for prostate cancer research and $250,000 for rural colorectal screenings.
- The House budget directs the Georgia Department of Public Health to develop a strategy to promote awareness and prevention measures for colorectal and prostate cancer and to report the findings by September 1, 2026.
- HB 973 provides $3,000,000 to increase nursing home quality incentive payments at skilled nursing facilities.

Higher Education

- The Amended FY 2026 budget includes $40 million in one-time funds for the University System of Georgia (USG) for major repairs and rehabilitation. These funds will be used to maintain nearly 59 million square feet of space at 25 institutions throughout the state. The Technical College System of Georgia receives $48 million in one-time funds for major repairs and rehabilitation for its over 14 million square feet of space at 22 colleges spread across 88 campuses around the state.
- House Bill 973 includes $300 million for USG to provide state-matching funds for an endowment to support the needs-based DREAMS Scholarship program and $29.8 million to establish a school of optometry at Georgia Southern University.
- The Agricultural Experiment Station within the University System of Georgia receives $500,000 in one-time funds to support blueberry breeder research.
- The House version of the Amended FY 2026 budget includes $146,233 for the University System of Georgia to offset the rising costs of providing the Public Information Network for Electronic Services (PINES) within the Public Libraries program. The PINES program includes 300 libraries which allow the sharing of over 10 million library resources from one part of the state to another. In the last fiscal year, over 3.6 million items were moved between libraries as part of the PINES program.
- The House includes an increase of $67,000 to the University System of Georgia to support the growing costs of providing Georgia Library Learning Online (GALILEO) access to Georgia students. In FY 2024, there were almost 50 million searches of GALILEO resources between USG and K-12 users.
- The Amended FY 2026 budget provides the Georgia Student Finance Commission (GSFC) with an additional $18.4 million to fund the growing participation in the Dual Enrollment program. These additional funds bring the Amended FY 2026 total appropriation to $127 million in state funds, which will provide awards to more than 70,000 students across the state.

- An additional $11 million is appropriated to fund HOPE scholarships at public institutions. This additional funding brings the total appropriation for Amended FY 2026 to $907 million, which will provide awards to more than 100,000 students throughout the state.

Human Resources

- DBHDD is appropriated $20.7 million for a 40-bed forensic restoration facility at East Central Regional Hospital in Augusta and $27 million to begin the design and construction of a new Georgia Regional Hospital in Atlanta. There are over 750 people in need of a state hospital bed with a wait time of 9.8 months for males and 8.8 months for females. These investments help in significantly improving the state's mental health and forensic capacity.
- The House supports the governor's recommendation to restore $243,750 to the jail-based restoration program at the Cobb County Jail, which has served 132 patients from over 30 counties since its opening in January 2023. In FY 2025, courts ordered over 2,500 adult pre-trial and 1,400 juvenile evaluations to determine mental competency for stand trial. There is a backlog of 800 people who have been deemed incompetent and are awaiting treatment from DBHDD, but there is more than 400-day wait for state hospital bed. This jail-based program allows for individuals to be treated within the jail, alleviating the burden of hospital beds and reducing the forensic waitlist.
- The House version of the Amended FY 2026 budget provides the Department of Behavioral Health and Developmental Disabilities (DBHDD) with $500,000 in one-time funds for a behavioral rate study to address the abandonment of patients with intellectual and developmental disabilities in community hospitals.
- The Department of Human Services (DHS) receives $8.8 million for technology projects including child support case management system maintenance and Supplemental Nutrition Assistance Program (SNAP) error reduction methods.
- The House appropriates $15 million for a new integrated child welfare reporting system which provides a secure platform to connect mandated reporters with government agencies, enabling early detection, faster service, and increased accountability. This program is being piloted in six counties and already has proven results. In Albany alone, the program has resulted in an 86% reduction in infant deaths and a 14% rise in service referrals from nonprofit providers.
- HB 973 provides $82.7 million to fund the deficit in within DHS Division of Family and Children Services (DFCS) prioritizing reunification services, assessments, and specialized service for high acuity youth. Additionally, $1.6 million is appropriated to DHS to restore four foster care support contracts that were cut to reduce the deficit and release funds to a provider funded in FY 2026.
- The Department of Veterans Services (DVS) receives $1 million to create a new veterans cemetery in Augusta. The department is also provided $1 million for the treatment of traumatic brain injuries and mental health conditions for veterans and active-duty military members.
- The House adds to the governor's recommendation to fund a veteran case management platform, Unite Us, to connect veterans with vital community services for a total of $2.6 million. From November 2022 to January 2026, the DVS Unite Us care coordination team served 10,160 veterans, identifying 16,398 needs with a 94.9% case resolution rate. Veterans are referred to services to address loneliness, housing, food insecurity, behavioral health conditions, and much more.

Judicial

- The Amended FY 2026 budget appropriates $127,446 to Superior Courts to align the three newly created judgeships in the Alapaha, Augusta, and Douglas Judicial Circuits with the new salary structure created under HB 85 (2025 Legislative Session).
- House Bill 973 appropriates $273,560 for the creation of the Georgia Tax Court which is effective April 1, 2026.
- To help reach pay parity between assistant public defenders (APD) and assistant district attorneys (ADA), the House version of the Amended FY 2026 budget appropriates $2 million to the Georgia Public Defender Council.

Public Safety

- The House version of HB 973 provides a total infusion of $92.9 million for the Department of Corrections (GDC) including $19.7 million in new funding for the department to make needed safety, security, and technology upgrades to its infrastructure. This appropriation provides necessary technology and security enhancements to keep both inmates and correctional staff safe. Upgrades include $15.2 million for security technology to detect and prevent the introduction of contraband. The House has spearheaded locking control renovations to keep prisoners secure. This budget recommends $85 million to install six new locking control systems and design two new systems.
- House Bill 973 also provides $32.9 million to the department for physical, mental, dental, and residential substance abuse treatment services to continue to provide these necessary services to inmates.
- The House version of the Amended FY 2026 budget appropriates $9.7 million for new correctional officer positions created by increased retention as a result salary increases from $27,936 in Fiscal Year 2021 to $45,806 in Fiscal Year 2026, provided by the governor and General Assembly.
- The House provides $4.8 million to GDC for food and farm costs. These funds will purchase and repair food and farm equipment, as well as provide increases to reflect the rise in the cost of food and labor. The cost to feed inmates has increased over the last five years, largely due to exponential increases in food costs. Adding needed equipment to the farm program will help stabilize the cost of food by ensuring the state is maximizing the amount of food grown internally to support the prison population.
- The House funds $6.2 million for the local jail subsidy to provide reimbursement for the cost of housing inmates who have been sentenced, but not transferred to state custody for more than 15 days. The prison diagnostic center, where inmates are received into state custody, is experiencing a backlog.
- The House also funds $1.5 million for a new reimbursement program to target and relieve the burden on local jails when more than 20 percent of the jail's capacity is occupied by detainees charged with contraband or drone-related offenses tied to state prisons but are unable to make bail. Long-term housing of these detainees has become a burden to small counties with limited resources. These rural counties are instrumental in the capture of these detainees; expending their own resources, purchasing drones to help detect contraband runners, and utilizing county personnel to

help the state capture the individuals perpetrating dangerous gang-related contraband drops into our state prisons.

- The Amended Fiscal Year 2026 House version recommends using $220 million of the state's undesignated surplus to fund the design and construction of a new 480-bed single-celled private prison facility for low- to medium-security inmates to free up much needed bedspace within state prisons. The state prison population is projected to be over 55,000 by 2029.
- The House supports the Governors recommendation to appropriate $2.5 million for new juvenile correctional officer positions created by increased retention as a result salary increases from $27,936 in Fiscal Year 2021 to $44,762 in Fiscal Year 2026, provided by the governor and General Assembly. The Regional Youth Detention Centers have 127 more positions filled now, than in November of 2022, representing a 27% increase over four years.
- House Bill 973 provides one-time funding of $4.5 million to domestic violence shelters and sexual assault centers for operational and facility needs. This additional funding impacts 47 domestic violence shelters and 53 sexual assault centers and satellite locations. This budget also provides $185,241 to eight child advocacy centers and 19 child advocacy center satellites not currently receiving state funding starting April 1, 2026. Victim services programs throughout the state are struggling to secure funding because of a reduction in federal funding over the last few years.
- The Georgia Emergency Management and Homeland Security Agency's Amended Fiscal Year 2026 recommended budget from the House supports the governor's $17.5 million add for emergency preparedness, security grants to non-profits, and NextGen 911 funding.

<u>Transportation</u>

- In the Department of Transportation, the Capital Construction program receives an additional $36.9 million for increased project capacity; the LMIG program increases by $7.1 million; the Routine Maintenance program receives $21.8 million for increased maintenance costs; and the Traffic Management and Control program receives $6.7 million for increased contract and traffic signal equipment costs.
- In addition to the mid-year true-up of the Local Maintenance and Improvement Grant (LMIG), the Amended FY 26 budget includes an infusion of $250 million in the Local Road Assistance Administration program, which does not require a local match.
- To address a major congestion corridor for both freight and residents, HB 973 provides a one-time payment of $1.7 billion to the State Road and Tollway Authority (SRTA) to fund the extension and bi-directional expansion of I-75 express lanes in Clayton and Henry counties. I-75 South Metro Express Lanes reported five million trips in FY 2025, an 84% increase since FY 2018. The daily average number of vehicles that cannot utilize the express lane due to the lane operating in the opposite direction of their travel is estimated between 87,000 and 126,000.
- The House supports the governor's recommendation of $200 million for SR 316 interchange conversions, a roadway that includes nine of the top 100 most dangerous intersections in the state. Approximately 105,000 vehicles travel daily along the route in Gwinnett County and approximately 35,000 vehicles travel daily in Barrow and Oconee Counties.
- The House recommends an infusion of $15 million in the Airport Aid program, bolstering the state's airports that serve as important sources of local economic development. The list of state-funded

airport aid requests is currently over $96 million. This increase brings the total state funding for airport aid to $45 million for FY 2026.

- House Bill 973 provides $85 million for the rehabilitation and replacement of rural bridges throughout the state. The cost of bridge replacement construction has increased by 93% in the last five years. GDOT has a list of rural bridges in need of repair or replacement and is prioritizing bridges vital to agribusiness and timber projects for the funding.
- The House recommends the use of $100 million of undesignated state surplus for resurfacing needs in the Capital Maintenance program.
- The House recommends $4.2 million for the Rail program for repairs, replacement, and upgrades to state-owned shortline rail. There are 465 miles of state-owned rail.