



# Mathews & Maxwell, Inc.

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## **Weekly Legislative Report #20**

**Week Ending May 29, 2020**

Governor Brian Kemp continued the gradual re-opening of Georgia activities last week issuing 36 pages of [new guidance](#) for numerous business and social activities. Bars and nightclubs were given the okay to begin business again June 1 under a set of specific safety protocols 39 items long. Amusement parks can plan their re-opening for June 12. In general, group gatherings formerly limited to 10 people may now expand to 25 people. Kemp specifically mentioned as examples, “small weddings, recreational sports and similar events.” Professional and amateur sports, summer camps and summer school were all given the green light to begin (new) normal activities with guidance on social distancing and safety precautions. Live performance venues must remain closed.

“We continue to strongly encourage all Georgians to wear face coverings in public to mitigate viral spread,” Kemp said during a press conference. “Wearing a mask helps prevent you or me from spreading the virus if we happen to have it, especially if we’re asymptomatic.” The [executive order](#) also extended the span of the Governor’s emergency powers for another month, through July 11.

Public Health Commissioner Kathleen Toomey explained at the same press conference that by June 1 the state would have 800 contact tracers trying to follow the spread of COVID-19 after a person has tested positive. She has promised 1,000 tracers by the end of June. However, Toomey cautioned, “Contact tracing will not be successful if the people we contact don’t answer the phone or refuse to be part of this process.”

### **Hearings Illuminate Coming Budget Pain**

The Georgia Senate began in-person budget subcommittee hearings last week with Senators spread out for social distancing and wearing masks. State agency personnel called to testify were kept separated out in the hallway until ushered to a podium just inside the doorway to testify. Several of those agencies presented plans for 14% budget cuts that called for furloughs or layoffs of personnel. Controversy arose in a hearing on education when it was suggested pre-k teachers might work the same number of hours for less pay. That idea was squelched later in the week by the President Pro Tempore of the Senate Butch Miller (R-Gainesville).

The Department of Agriculture would shutter farmers markets in Cordele, Thomasville, Savannah, Macon and Augusta, chopping 25 jobs at those facilities. Ag Commissioner Gary Black said his proposed \$5.6 million cuts would impact at least 70 jobs agency wide. The Department would also skip participation in the Georgia National Fair in Perry and the SunBelt Ag Expo in Moultrie next fiscal year.

The GBI and Georgia State Patrol said their employees would be required to take 24 furlough days under a plan to meet the 14% cuts. GBI Director Vic Reynolds told legislators that on top of those furloughs, he would have to leave vacant 28 currently unfilled slots. The Department of Juvenile Justice said it would cut as many as 175 part-time positions, many of which provide mental health services for juvenile offenders.

The proposed reduction in funding for Georgia's accountability courts could result in 1,900 people spending time in jail, instead of working. The courts, a pet project of former Governor Nathan Deal, are specifically designed to adjudicate cases involving substance abuse and mental health issues, allowing offenders to maintain jobs while undergoing treatment.

While the General Assembly and Governor's office directed agencies to develop spending plans for FY21 that include 14% cuts from FY20 numbers, that does not mean the legislature will agree with all the cuts. The General Assembly could increase cuts in some places and reduce in others. Unfortunately, the bulk of most state agency budgets is in support of personnel.

### **Can New Income Mitigate Cuts?**

Opponents of cuts say some of the pain can be reduced by increasing income. Twelve child and health advocate organizations issued a letter last week calling for a \$1.50 per pack increase in Georgia's excise tax on tobacco. Only two states have a lower tax than Georgia and the \$1.50 increase would bring the state in line with the national average. Surveys show that about 90% of current smokers began the habit before age 18, but can't shake the addiction. The huge price increase is designed to make it unaffordable for kids to take up an addictive practice.

According to the letter, smoking currently costs the state more than \$3 billion in health care expenditures, including \$650 million in Medicaid costs annually. The letter estimates that a \$1.50 tax increase would bring in \$425 million in revenues. However, individual anti-nicotine groups point out that combined with an excise tax on vaping products, new income could reach over \$600 million.

Even larger numbers, up to \$1 billion, might be raised by casino gaming when it is included as part of a "destination resort" project. Several legislators continue to work on positioning that issue in a way that could win the two-thirds vote in each House required to be placed on this November's general ballot. Polling consistently shows that Georgians strongly favor the opportunity to have a statewide vote on casino gaming.

### **Next Week**

There are five more Senate Appropriations subcommittee hearings scheduled next week, including those with oversight of Medicaid, hospitals, behavioral health, transportation and the judiciary.

### **The COVID Count**

As of noon Sunday, the [Department of Public Health](#) lists 46,909 Georgia cases of COVID-19 with 2,035 deaths.