Early End to a Jam Packed Session

by Dawn A. Randolph, MPA

The legislature said "sine die" on March 29th just a few minutes after midnight. All of the initiatives GATES directly worked on were in better positions at the end than the beginning. The House and Senate did not add more cuts to the Governor's budget for provider contracts - the cuts will stay at 2%. An independent Vocational Rehabilitation Services Agency was formed. A new General Services Administration agency was created to merge many of the state's general operations. The no-bid limit on state purchasing was raised from $5,000 to $25,000. While all these bills await the Governors' signature it pretty clear he will have happy signing ceremonies to celebrate his initiatives. The House began sending measures that passed to the Governor on Monday, April 2nd.

RECAP OF MAJOR LEGISLATION

The FY 2013 Budget passed the last week of the session. The final vote in the House was 143-24 and in the Senate 45-0. You can view the Senate FY 2013 budget here and the House version here.
Independent Vocation Rehabilitation Services Agency (HB 1146) Passed
On Tuesday, March 20th, the Senate (vote 46-2) passed HB 1146 in the same version passed by the House (vote 140-16) creating a new Vocational Rehabilitation Services Agency attached to DHS. There was very little discussion as the measure came before the chamber. The bill now awaits Governor Deal’s signature and the really important work of transitioning VRS to an independent agency begins in earnest.

Tax Reform awaits Governor’s Signature (HB 386) Passed
As I mentioned in previous Portals the Special Joint Committee on Georgia's Revenue Structure provided a substitute to HB 386. The House passed the measure by a 155-9 vote. Then it passed the Senate by a vote of 53-0. The bill awaits the Governor's Signature.

Again, this isn't the comprehensive tax overhaul as original recommended by the Special Joint Committee; it is a very targeted tax policy bill that was more politically acceptable and simpler. However, it will have financial impact on state revenues, estimated to cut $63 million in 2013. While this reduction in state revenues was not reflected in the FY 2013 budget, it was voiced by the House and Senate Republican Leadership that the benefits of the tax changes will create more jobs in Georgia and aid the economic recovery. There were no strong voices against this incremental approach to tax policy reform, but there was concern voiced by the Democratic Caucuses in both chambers that there was not enough time to evaluate the impact while there is hope it will produce the desired outcomes.

Here is a brief overview of the tax reform bill.

Motor Vehicles - sales and ad valorem taxes are replaced with a title fee tax beginning on March 1, 2013 starting at 6.5% the first year, 6.75% the second year and capping at 7%. The so called "birthday tax" is now replaced with this one time title fee when a motor vehicle is purchased new or used from a dealer or person-person sale.

Personal Income tax - increases the tax exemption for married couples and caps income tax on unearned retirement income exclusion at $65,000.

Film Industry - repeals the film sales tax exemption and maintains the film tax credit.

Sales Tax Holidays - reinstates the "Back to School" and Energy Efficiency sales tax holidays in the fall for calendar years 2013 and 2014.

Manufacturing Energy Use Sales Tax - phases out the tax on energy used in agriculture, manufacturing, and mining.

Jet Fuel Sales Tax - Places the sales tax of jet fuel at all Georgia airports at 3% down from 4%. Originally this reduction only applied to Delta and is now expanded to all airlines and airports statewide.

New Georgia Services Administration (HB 642) Passed
The Senate passed (48-2) Rep Doug Collins’ (R-Gainesville) bill on March 13th, HB 642 creating the Georgia Services Administration. This new agency will transform the former DOAS (Department of
Administrative Services) into a mega state administrative agency. The State Property Commission and the State Personnel Administration functions will come into this new agency. This is part of Governor Deal's initiative to reorganize and consolidate state government. It is awaiting his signature.

**State Purchasing No-Bid Limit Raised (HB 863) Passed**
A small little bill sponsored by Rep. Matt Hatchett (R-Dublin) moved quickly through the session with little fanfare. The House passed the bill 128-38 and the Senate 37-7. The bill increases the dollar limit on purchasing without competitive bidding from $5,000 to $25,000. The goal was to give small businesses a better chance to obtain contracts and sales from state government agencies. The bill awaits the Governor's signature.

**Drug-Testing TANF applicants (HB 861) Passed**
This bill passed the House 114-59 and was highly controversial throughout the committee process. The companion bill, SB 292, passed the Senate 35-18. In the end the House bill survived the process but it was gutted and replaced by SB 292 in the Senate Human Services Committee. The essential elements of both bills require TANF applicants to pass a drug-test before they can receive basic cash benefits. At first the bill made no exception to people with disabilities, mental illness or older Georgians in long-term care facilities, an amendment was added on the Senate Floor to exempt these groups. The penalties are graduated; first failure excludes you for one month, second failure for three months, and third failure for a year. The Department of Human Services was not asked to provide their input on how they could administer the requirement. Applicants will also be required to pay for the drug screening, estimated to between $17-40. The ACLU has already indicated they will be filing a lawsuit based on Fourth Amendment Rights barring illegal searches and seizure. A similar Florida law has been enjoined by the Eleventh Circuit Court of Appeals and is awaiting a decision. It is unclear if the Governor will sign this measure and it has not been sent to him yet for his review.

**Elections**
Qualifying for Office will be held May 23-25 for the July 31st Primary Election. There are several elected officials who have announced their retirement or will be vacating their seat for higher office. I will cover those changes in a later Portal. Now is the time to get on your elected officials calendar for a site visit.

MARK YOUR CALENDAR!!

GATES Annual Meeting and
GATES Family Reunion - June 7-8
Mark your calendar for the GATES Annual Meeting. To be held at the Anderson Conference Center at Goodwill of Middle Georgia in Macon, the meeting will kick-off with afternoon of stimulating educational sessions on Thursday, June 7. The evening program will include activities that promote Social Networking at its Best, specifically designed for CRP staff and management. The highlight of the evening will be a "A Dining Experience to Remember" catered by the highly acclaimed Edgar's Restaurant operated as a part of Goodwill of Middle Georgia's culinary training program. On Friday morning, June 8, the educational tracks continue, with the meeting concluding with lunch. Complete program details will be announced later this month but will include,

- Three Educational Tracks to provide training for CRP managers and CEO's
  - Track 1 - focusing on CEO leadership issues that lead to high performing, results-oriented organizations.
  - Track 2 - program management training sessions coordinated by ARMS leadership
  - Track 3 - contracting opportunities through the State Use program - The How to's of Getting Started, learning from other CRP's through mentoring, identifying new products/services your CRP can offer.

- Thursday Evening "A Remarkable Dining Experience" catered by Edgar's

- Lots of networking opportunities with other CRP managers.

More programming and lodging details coming soon - - mark your calendar now for the GATES Family Reunion June 7-8 to be in MACON.

**Call for Information**

*THE PORTAL* is a communication tool for GATES and GATES members. If you have stories about your organization, staff announcements, program descriptions, or other information you want to share with other GATES members, please send the info to Charles Hall, chall@asginfo.net