



{{FirstName or 'Friends'}} --

This week was Budget Week in the Georgia General Assembly. Generally recognized as **one of the most critical weeks of the session**, the week entails agency leaders go before lawmakers on the [Appropriations committee](#) and walk them through all the additions and subtractions to their department budgets guided by the governor's written proposals.

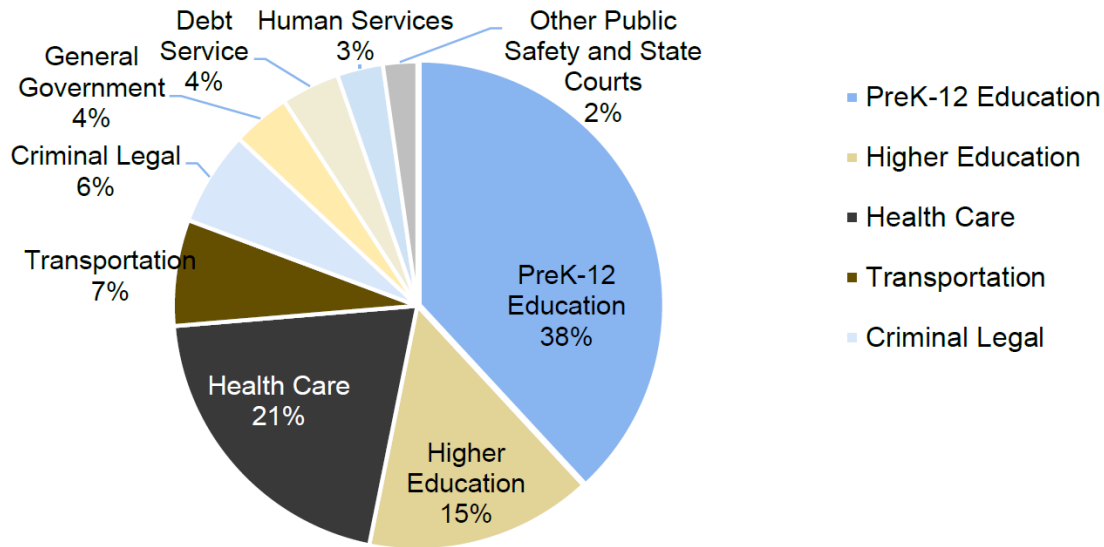


Let's do a deeper dive of the state's budget for FY 2025, as well as some of the changes we may see to the FY 2024 budget.

BUDGET TALK

This year, Governor Kemp's has proposed a **\$36.1 billion budget for Fiscal Year (FY) 2025**, accompanied by some **adjustments to the FY 2024 budget** we passed last session.

Education and Health Care Equal 73 Percent of \$36.1 Billion Budget for Fiscal Year 2025



Source: Governor's Budget Report Amended FY 2024 and FY 2025

GEORGIA BUDGET & POLICY INSTITUTE  GBPI.org

(The Georgia Budget and Policy Institute, "Overview of Georgia's 2025 Fiscal Year Budget")

These budgets ([colloquially referred to](#) as the "big budget" and "little budget") include **many positive additions**, such as [cost-of-living salary adjustments](#) for state employees and certified teachers, [enhanced funding for student transportation](#), [reductions in Pre-K classroom sizes](#), and adjustments to maintain the solvency of Georgia's Employees' Retirement System (ERS) and State Health Benefit Plan (SHBP).

But we should also consider the size and scale of these changes with the [record budget surpluses](#) Georgia has generated over the past three years, summing **\$16 billion** as of the close of FY 2023.

What is a budget surplus?

A budget surplus occurs when the amount of revenue the state collects exceeds the amount it spends during the fiscal year. Although a surplus implies that Georgia's government has met all its obligations to state residents, the annual state budget is the product of a series of policy decisions made by the general assembly and governor.

Where do surplus revenues go?

The Revenue Shortfall Reserve (RSR), also called the "rainy day fund," was created in 1976 to act as the state's saving account and to help manage instability in revenue collections and hedge against the possibility of a recession. When the state raises more in revenue than it spends, it produces a surplus. At the end of each fiscal year, any surplus in general revenue collections is automatically added to the state's RSR until that account reaches 15% of prior year collections (increased from the previous maximum of 10% in 2011). At that point, funds go into a separate account that represents unobligated or undesignated surplus. This is in addition to a dedicated reserve account for surplus funds raised by the Georgia Lottery, as well as smaller reserve accounts used to help manage bond payments and tobacco settlement funds.

Many Democrats, myself included, actually feel that **calling this sum a "surplus" is misleading**, as it implies that these are funds in excess of what was required to be spent. I'd personally argue that the size of this surplus indicates **unmet need and obligations the state has a duty to fulfill**, chief of which is our obligation to ensure better healthcare coverage for our residents, in a state with one of the highest uninsured rates in the nation.

While many see Medicaid expansion as a pure budget outlay, **we have to consider the cost of non-expansion**, and the [high costs of uncompensated care](#) the state continues to bear as a result of our large burden of uninsured patients.



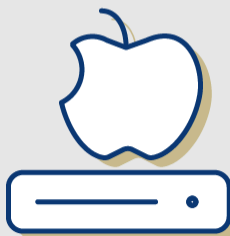
For example, [Grady Hospital System](#) (one of only two Level I Trauma Centers in the metro Atlanta area—the second being the [recently designated](#) Northeast Georgia Medical Center Gainesville) [has one of the highest uncompensated care costs in the U.S.](#) These costs total **nearly \$330 million for that one healthcare system alone**, with much of that bad debt being absorbed by the state, county, and city.

The \$1.4 - \$1.9 Billion Georgia Would Receive for Fully Expanding Medicaid Could:

Fully pay for our share of the cost of expanding Medicaid (\$336 million for two years)



Fully fund education for the next two years (add \$400 million to the current education budget for each year)



Contribute to other state priorities, such as:



Strengthening rural broadband



Strengthening our public health system



Expanding workforce development programs



Enhancing public safety

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Meanwhile, [the state costs for full Medicaid expansion would be roughly equivalent](#) to the uncompensated care costs of Grady Hospital System, while extending health insurance coverage for about **half a million uninsured**

Georgians and allowing more than **\$1 billion in federal funding** to flow back into our state.

From a budget standpoint, this is a no-brainer.

The Atlanta Journal-Constitution

POLITICS

State economist: Georgia likely in for mild recession in early 2024



Credit: Arvin Temkar/AJC

[Click here to read full article](#)

Healthcare costs rank as [a top financial worry for American families](#), and healthcare affordability is one of the top issues voters want to see addressed in the 2024 election. This seems all the more important this week as state economist Bob Bushman [gave the following financial forecast](#) for Georgia: “A mild recession is more likely than not beginning in the first half of this year.” He added, **“We have mitigating factors that should make any recession a mild one, and we may still avoid one.”**

PRIORITY LEGISLATION

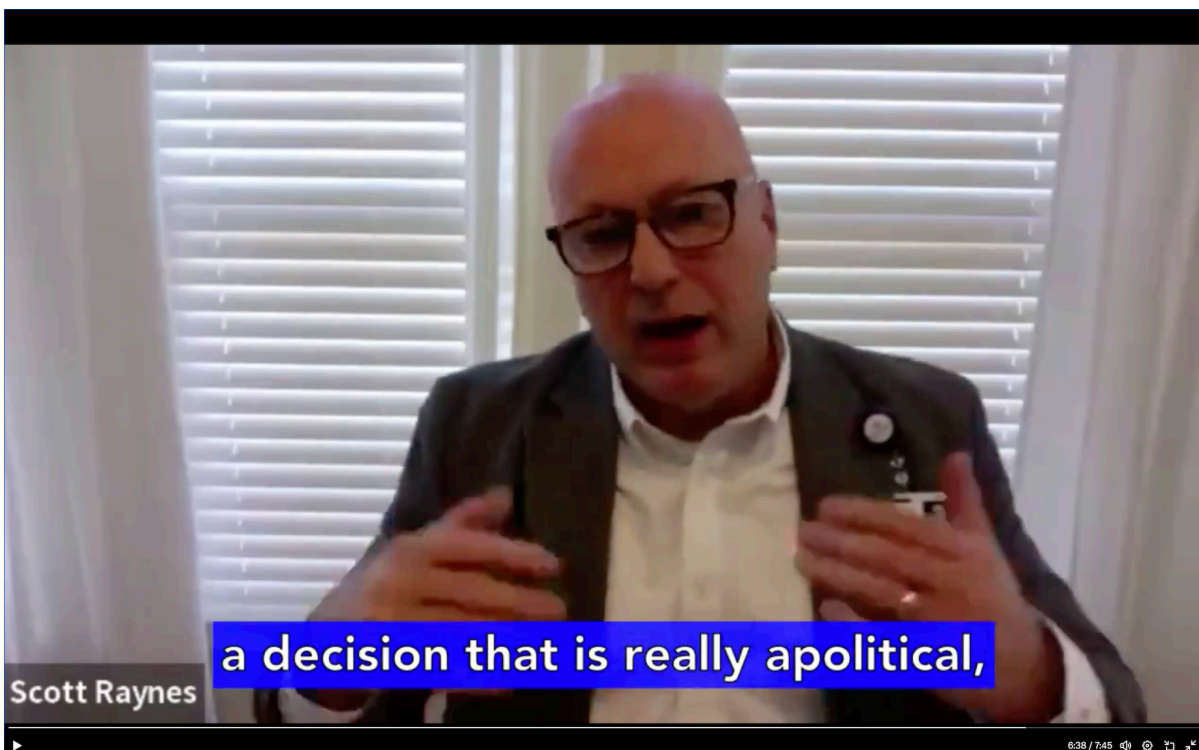
We continue to see momentum on some of our key legislative priorities this session.

MEDICAID EXPANSION

Chatter continues around the possibility of **bipartisan consensus on finally expanding Medicaid in Georgia**, one of only [10 non-expansion holdout states](#) in the nation.

Over the past ten days, Team Au has been sharing some of the expert testimony from the hearing we held last week, and I'd like to share two sets of remarks in particular because I think they highlight the **practical, fiscally prudent, and morally obligated reasons** that we should put partisanship aside to expand Medicaid in the state of Georgia.

The first is the testimony from Mr. [Scott Raynes](#), the President & CEO at [Southeast Georgia Health System](#), which serves patients in six counties along the Georgia coast. I don't mind telling you that **it can be difficult to find hospital administrators willing to speak out** since it continues to be seen as a sensitive partisan issue and hospital systems often rely on the support and largesse of the state to continue serving their mission. It is for this reason that [Mr. Rayne's perspective is all the more powerful](#).



[Click here to watch full video](#)

The second is testimony from [Dr. Greg Lang](#), the Chief Financial Officer at [Good Samaritan Health Centers of Gwinnett](#), a nonprofit organization committed to caring for the uninsured and underinsured working poor.

Dr. Lang notes in particular that **he thinks like a Libertarian and votes Republican, but sees the choice to fully expand Medicaid as a moral obligation.** [He observes that](#) uninsured patients suffer morbidity, pain, disability, and shortened life spans due to their lack of access to care, and that “if Medicaid expansion would ensure that those who don’t have insurance can gain access, then it would be the right thing to do.”



[Click here to watch full video](#)

Finally, I can think of no better advocate for full Medicaid expansion than the **Republican former governor of a recent expansion state in the South, Asa Hutchinson.** [Governor Hutchinson](#) recently gave an interview on one of our favorite podcasts, [Politically Georgia](#), outlining the details of “**The Arkansas model,**” in which full Medicaid expansion (meaning coverage of patients up to 138% above the federal poverty level) was channeled into the private health insurance market.

“It’s worked well in Arkansas. We fought hard for it, and it’s really helped us in terms of healthcare, but also controlling costs.”



[Listen to the excerpt here](#)

The Atlanta Journal Constitution also put out some polling this week that showed that [the idea of expanding Medicaid continues to be tremendously popular across Georgia](#). While this does not make it any *more* fiscally wise or ethically compelling, it is my hope that this poll will bolster the resolve of those lawmakers who still stand against it for ideological reasons.

AJC poll: Medicaid expansion

Should Georgia expand eligibility for Medicaid, which provides health care for some poor Georgians, to cover all the state's uninsured poor?

Yes
 No
 Don't know



Source: Jan. 3-11, 2024 AJC poll of 1,007 registered Georgia voters with a margin of error of +/- 3.1%.

Source: [Atlanta Journal Constitution, January 17, 2024](#).

I have to remind people that **we still have not seen a bill from our Republican colleagues on Medicaid expansion yet**, but expect that a bill of this size and scope will need all the time we can afford to work it through the legislative process. As Georgia's legislative session can run [no more than 40 legislative days](#), I would hope that we'd see a bill filed soon if we have any chance of getting this done in 2024.

INSULIN SAFETY NET PROGRAM

I was pleased to chat with Abby Kourouris of Atlanta News First about [HB 856](#) and [HB 857](#), our **Short and Continuing Insulin Safety Net bills**. As a review, these bills aim to avert the harms and possible death suffered by patients being able to afford their insulin. [The price of the most popular forms of insulin has tripled in the past decade](#).



[Click here to watch full video](#)

These bills have been assigned to the [House Public Health Committee](#), and it is my hope that given the relatively slower pace of work in the first few weeks, **we can hope to have our bills heard and voted on in committee soon.**

GUN SAFETY LEGISLATION

Our bill [HB 855](#), **the Safe Storage Tax Credit Act**, continues to get bipartisan support both behind and in front of closed doors.

I will hold any further commentary until we can secure more public support (with names) from our Republican colleagues, but am proud of the continued efforts of our gun safety advocates who come to the Capitol day after day, working to advocate for our children and **stiffen the spines of lawmakers who need a little help doing so!**



TEAM AU IN ACTION

Last weekend I was proud to **celebrate the life and legacy of Dr. Martin Luther King Jr.** right here in HD 50, where I spoke with my constituent **Mr. John Suttles**, a civil rights activist who, at the age of 12 marched with John Lewis across the Edmund Pettus Bridge in Selma, AL.



Mr. Suttles is truly an inspiration, and I feel so lucky to have a chance to learn from him as a member of our community. And thank you to Mayor Bradberry and the City of Johns Creek for organizing the MLK Unity Breakfast this year!

* * *

As Co-Chair of the bipartisan, bicameral Working Group on Recovery and Addiction in the Georgia General Assembly, I was proud to join more than a thousand of our friends and partners for **Addiction Recovery Awareness Day at the Capitol!**



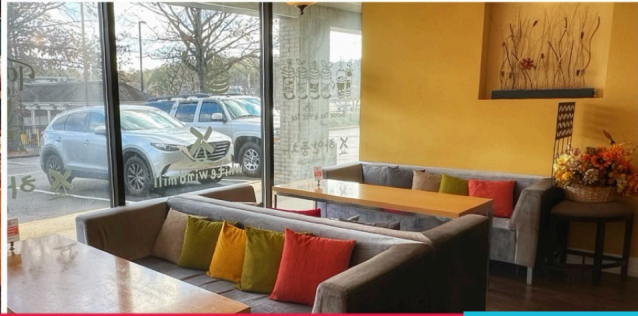
Mental health treatment and treatment for Substance Use Disorder has long been a priority for me as a legislator, and in my remarks I noted that I hoped we continued to expand health coverage and access any way could, including continuing to advance [HB 520](#), the follow-up bill to 2022's omnibus Mental Health Parity Act, [HB 1013](#).

TEAM AU EVENTS

At the start of session I usually hold a series of **open office hours** to give HD 50 constituents a chance to drop by, flag issues of concern, highlight work they'd like me to prioritize, or just say hi.

Our first open office hours this session will be this **SUNDAY, JANUARY 21st!**

HD 50 OPEN OFFICE HOURS WITH REP. MICHELLE AU



SUNDAY 1/21, 11:00AM - 1:00PM
WHITE WINDMILL BAKERY
3585 PEACHTREE INDUSTRIAL BLVD



Sunday, January 21st, 11:00am - 1:00pm
White Windmill Bakery, 3585 Peachtree Industrial Blvd
RSVP: <https://fb.me/e/jAoFYf6f6>
Or just drop by!

* * *

Team Au is also hard at work organizing its next Gold Dome Blood Drive, right in time for **National Blood Donor Month!**

NATIONAL
**BLOOD
DONOR**
MONTH



Those of us familiar with the work of our office know that **we traditionally organize two blood donation drives per session** to address the historic blood bank shortage we've seen since the start of the pandemic.

We were able to squeeze in one extra blood drive earlier this year (during our special legislative session for redistricting), and our next blood drive is scheduled for **Wednesday, January 24th**, 56 days after our last event, ***so if you donated last time, you can donate again!*** Sign up or just walk in the day of!



We are gratified to have so many of our colleagues from both sides of the aisle help promote this important effort that is truly life-saving for so many patients. **Speaker of the House Jon Burns** is a stalwart supporter of our blood drives, and he and his lovely wife even donated at our last drive in November!

Thank you for helping to encourage our colleagues to donate blood! As always, **our blood drive is [open to everyone](#)**: Capitol Hill legislators, staffers, our colleagues and City Hall, those working down the street at the Nathan Deal Judicial Center, and the general public!

HOUSE DISTRICT 50 UPDATES

Thank you to Mayor Bradberry and the Johns Creek City Council for organizing a legislative briefing with the four state legislators who represent the city! We discussed a number of state and local issues, discussing ideas for future legislation and following up on some important municipal issues, including concerns about local preemption.



I just want to note again that **Johns Creek, and this area overall, truly is a swing district**, and nowhere is that clearer than in our representation, with bipartisan members in the state Senate (Sens. Josh Maclaurin and Shawn Still), and the state House (me and Rep. Scott Hilton).

I'm looking forward to more state/city updates and convenings in the future!
Thank you for hosting us!

* * *

Make sure you're [signed up to receive updates](#) on all these projects and more as we continue to ensure that we are best serving everyone in House District 50!

It has never been more important to pay attention to the work of state legislatures, and nowhere is it more evident than in our district, at the epicenter

of the changing electoral face of Georgia, the leading edge of where swing districts are still being fought and flipped.



As always, please **do not hesitate to [reach out to our office](#)** should you need any assistance, would like to drop by to visit the Capitol, or if you have any concerns you'd like me to address on your behalf.

It is my honor to be your voice in the Georgia House of Representatives.

In Service,



Paid for by Au for Georgia Inc.

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