



# LEGISLATIVE UPDATE

A Briefing for Faculty & Staff of the University System of Georgia No. 2, January 16, 2007

“Creating a More Educated Georgia”

## Governor Recommends Full Formula Funding for University System, 3% Salary Increases and \$228M for Capital Budget

**G**ov. Sonny Perdue’s budget recommendations to the Georgia General Assembly during the annual

State of the State Address delivered last Wednesday were strongly supportive of the University System of Georgia.

“I’m here to tell you again that my priorities have not changed,” the Governor told a joint assembly of both houses of the

legislature as he began his second term in office. “Education is the single most important factor in the future prosperity of our state.”

Perdue’s proposals – which would increase the Board of Regents’ operating budget by \$200 million – include \$80 million to fully fund the formula (an increase in formula funds sparked by the University System’s enrollment growth) and a 3 percent merit salary increase. The Governor also is proposing a \$228 million bond package to fund the System’s most critical new construction and renovation projects.

“First, in recommending fully funding the regents’ formula increase request of \$80 million, the Governor has signaled his recognition of the importance of increasing enrollment and its attendant costs as we seek to create a more educated Georgia,”

### The Governor’s Recommendations at a Glance

<b>Total increase in operating budget:</b>	<b>\$200.0 million</b>
<b>Total capital projects (bond funds):</b>	<b>\$228.0 million</b>

#### Highlights from the Operating Budget

##### Formula funds

FY 2008 formula increase	\$80.0 million
Phase in MRR over four years to cash	\$17.5 million
Georgia Gwinnett College start-up funds	\$10.0 million
Medical College of Georgia expansion	\$3.8 million

##### Salary increase

3 percent merit salary increases effective Jan. 1, 2008	\$24.0 million
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#### Highlights from the Capital Budget

##### Majors: Equipment funds

1. Georgia College & State University Parks Nursing Center	\$1.0 million
2. University of West Georgia Health Wellness Center	\$3.0 million
3. North Georgia College & State University Library/Tech Center	\$2.0 million

##### Majors: Construction funds

1. Savannah State University Academic Classroom Building	\$12.7 million
2. Macon State College Professional Sciences Center	\$22.2 million
3. Fort Valley State University Academic Classroom Building	\$16.8 million
4. University of Georgia College of Pharmacy	\$37.2 million

##### Majors: Strategic Priorities

1. Kennesaw State University Health Sciences Building	\$42.5 million
2. Georgia Gwinnett College Library	\$28.3 million

<b>Maintenance, repair and rehabilitation (MRR)</b>	<b>\$42.5 million</b>
<i>(\$17.5 million in cash; \$42.5 million in bonds; total \$60 million)</i>	

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## Governor's Budget Recommendations

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said **Thomas E. Daniel**, interim chief operating officer and executive vice chancellor for the University System.

“Second, the Governor has recommended funding an additional \$10 million as a start-up investment for *Georgia Gwinnett College* and \$3.8 million for the expansion of the *Medical College of Georgia*,” he continued.

“Third, with the Fiscal Year 2008 Budget, we are beginning a four-year transition from bond funds to cash for our Maintenance, Repair and Rehabilitation (MRR) funding,” Daniel said.

He noted that **Chancellor Erroll B. Davis Jr.** last spring called for returning MRR funding from an annual bond package to permanent cash funding, since stewardship of the University System's facilities is a continuing and permanent responsibility. “As the first step of this transition, the Governor has recommended \$17.5 million in cash and \$42.5 million in bonds for MRR in FY 2008.” 

## Next Up...

- ◆ Highlights of the chancellor's presentation of these budget recommendations to members of the Joint Appropriations Committee.

The presentation is scheduled for 11:25 a.m. on Wednesday, Jan. 17, in Room 341 of the Capitol. 