



LEGISLATIVE UPDATE

A Briefing for Faculty & Staff of the University System of Georgia No. 11, April 8, 2005

“Creating a More Educated Georgia”

State’s FY06 Budget Demonstrates Strong Support for University System

Operating Budget Includes Full Formula Funding, 2 Percent Merit Raises for Employees

Members of the House and Senate Conference Committee on the Fiscal Year 2006 Budget reached accord last Tuesday, two days before the Georgia General Assembly’s 2005 legislative session drew to a close.

Their package endorsed Gov. Sonny Perdue’s recommendations for \$103.4 million to provide full formula funding and \$17 million for a 2 percent merit salary increase for University System of Georgia faculty and staff. The System’s total budget of \$1.802 billion represents an 8.5 percent increase over FY05.

“This certainly indicates strong support by the legislature for the University System,” Chancellor Thomas C. Meredith said. He urged University System leaders to express their appreciation to Perdue and state and local legislators for their excellent support during the session.

In addition to the formula funds and the salary increase, the \$1.802 billion operating budget also includes:

- ◆ \$5 million to support the research mission of the *Medical College of Georgia*;
- ◆ \$375,000 for *Middle Georgia College’s* Georgia Academy of Math, Engineering and Science (GAMES);
- ◆ \$326,000 for the Advanced Wood Products Laboratory at *Georgia Tech*; and
- ◆ \$450,000 for the Georgia Leadership Institute for School Improvement.

The General Assembly also added funds to the USG’s operating budget for several specific projects, including:

- ◆ \$180,000 for the Bamboo Farm;
- ◆ \$60,000 for the Green Industry Program;
- ◆ \$80,000 for the Formosan Termite Research Program;

- ◆ More than \$193,000 to restore funds cut from the budgets of public libraries;
- ◆ \$2 million for repairs and renovations at local public libraries;
- ◆ More than \$8,300 to restore funds cut from the budget of *Kennesaw State University’s* A.L. Burruss Institute for Public Service;

- ◆ \$200,000 for *Georgia Tech* to conduct a Greenbelt study in Fulton County;
- ◆ \$100,000 to offset scholarship funds lost at *North Georgia College & State University* when cadets in the Georgia National Guard were deployed to the Middle East;

See “BUDGET,” Page 4 ...

Donor Records Bill Ready to Become Law

A bill protecting the donor records maintained by Georgia’s public post-secondary educational institutions and their associated foundations is awaiting the Governor’s signature.

Under the terms of HB 340, records containing the names of donors or potential donors to colleges, universities and their foundations and the amount of donations made will remain confidential. However, if the donor or any entity

in which he or she has a substantial interest conducts business with the public institution to which the donation has been made within three years of the donation, then those documents would be subject to Open Records laws.

Supporters of the bill, which included the Board of Regents, said the legislation is needed to remain competitive in attracting the millions of dollars in private donations made each year to Georgia’s 34 public universities. ☰

Q & A

Legislative Update recently sat down with Rep. Bob Smith, chair of the House Appropriations Subcommittee on Higher Education, for a wide-ranging interview on the 2005 Legislative Session and the University System of Georgia's relationship with the General Assembly. Following are some key excerpts from the interview:

What are your goals as chair of the House Appropriations Subcommittee on Higher Education?

My goals are concurrent with those of the University System of Georgia and the Department of Technical and Adult Education (DTAE) – creating a better-educated workforce for Georgia and making Georgians more aware of the wonderful things we've got going on in the research universities, the four-year and two-year colleges in the University System and the technical colleges.

On External Funding: We've got to put Georgia on a level playing field nationally and worldwide. We have



Rep. Bob Smith of Watkinsville is chair of the House Appropriations Subcommittee on Higher Education. He also is a member of the Legislative and Congressional Reapportionment, Public Utilities and Telecom-

been working on that, but not as much as is needed. I'm talking about identifying funding opportunities and financing opportunities. Our research universities, both private and public, are not competing as well nationally and internationally for investment dollars as some other states' universities are because the state is not set up for it legislatively.

Our subcommittee held a series of individual meetings with a number of USG and technical college presidents, to which we also invited 7-8 key players in the venture capital business. We're trying

Introducing Rep. Bob Smith Chair, House Appropriations Subcommittee on Higher Education

munications, and Rules committees.

A real estate broker and developer and a graduate of the *University of Georgia*, Smith is currently serving his fourth term in the Georgia House of Representatives, service he began in 1998.

Smith is a member of the board of the Oconee County Arts Foundation and

a member of the Oconee County Rotary Club, the Athens Area Board of Realtors and both the Oconee County and Athens Area Chambers of Commerce.

In addition, in 2004, he helped found the inaugural Relay for Life in Oconee County, an event that raised \$200,000 for the American Cancer Society. 🏠

to create new ways to bring venture capital dollars to Georgia that do not exist now. We're trying to create legislation that will allow us to do in Georgia what they do in California, Delaware, New York, Massachusetts, Florida and North Carolina. We also have to find the funds to hire additional researchers and eminent scholars for the research universities and to build the necessary laboratories for them.

As you know, for the last two or three years the state of Georgia has been in a tough situation financially, but even if it weren't, find-

ing adequate financing to build continues to be a challenge. So, that's one of my goals – to help the state of Georgia find some alternative ways to finance these facilities.

On Funding Higher Ed: I've set a goal – and I've gotten the cooperation of **Sen. Seth Harp**, **Rep. Bill Hembree**, and **Sen. Brian Kemp** and their committees – to collectively visit every University System college and university and technical college before the end of the year. Because, from a budgeting standpoint, if you don't know what's going on

See "Q & A," Page 3 ...

Q & A

Continued from Page 2...

at a college – if you can't put a face with a name and a building – how can you make good budget decisions?

Do you feel the University System of Georgia is providing a good return on the investment the state has made in it?

By and large, yes, especially at the research university level. They (research universities) only get 35-40 percent of their budget from the state, and the balance has to come from tuition, grants, foundations, etc. They've got a tough job. The two and four-year institutions depend almost entirely on the legislature and tuition to fund their schools.

How do you think the University System of Georgia fared during the 2005 session?

I'm pleased that we were able to move forward with regard to full formula funding, but I'm disappointed that we didn't have enough money to fund construction of the Regents' top four major capital outlay projects.

We need to protect our bond rating. Hopefully, with the economy improving, these projects will be funded at the next opportunity.

I am proud that we were able to fund the renovation of the dining hall at the Rock Eagle 4-H Camp. This facility is used by citizens throughout the state, and a new dining hall has been sorely needed.

I'm pleased, too, that agriculture still is held in high esteem, as evidenced by the funds added to the University System budget for the relocation of an animal and livestock facility to Oglethorpe County.

Are there any areas to which you feel the University System needs to turn its attention?

Nanotechnology, biotechnology and the life sciences should be a major focus – and I'm confident that they are at the research universities – because these technologies are going to have a huge impact on the future. We need to get people at some of the two- and four-year colleges in the loop by focusing on these disciplines.

On Accessibility: Accessibility [gaining admission into the research universities] is another issue that needs more attention. You've got third-, fourth-, fifth-generation Georgians that have been paying taxes in Georgia, and their kids can't get into Georgia's research universities because they've [capped] enrollment.

The HOPE scholarship is partially to blame for this problem; it's a double-edged sword. You have people who've moved into Georgia from other states to take advantage of HOPE. You exclude them and you're losing some bright minds that could help move Georgia forward. But, how do you ensure that Georgians who've been paying taxes in this state generation after generation will be able to send their kids to the most popular colleges and universities without making them parochial schools?

On Accountability: Accountability regarding the use of state funds is another area that needs close attention.

On Collaboration: Also worthy of more attention is the need to establish a good, collaborative relationship between the University System of Georgia and DTAE, one in which the universities are open to accepting more technical-college credit. It's been said that the technical colleges generate 75-80 percent of the workforce. The researchers and eminent scholars at our research universities are coming up with fabulous ideas and designs, but the technical-college graduates are the ones who've been trained to build the things they design and service them when they break down. We hear [USG and DTAE officials] talking about working together, but we'd just like to see more positive efforts in this arena. 🏠

FY06 Budget

Continued from Page 1...

- ◆ \$40,000 for the *University of Georgia's* bio-refinery; and
- ◆ Nearly \$46,000 to restore funds cut from the budget of the Skidaway Institute of Oceanography.

The General Assembly postponed any action on combining the USG's health plan with the state's health plan, choosing instead to wait until after the session to study the issue.

Capital Budget

Due to concerns about the size of the overall state budget package, the legislature decided not to issue construction funds for the first four projects on the Board of Regents' Major Capital Priorities List, allotting these projects only design funds for the time being. The legislature also adjusted Major Repairs and Renovations funding to \$50.6 million.

"With respect to the total amount of capital funding we received

during the 2005 session, the changes are relatively small," the chancellor said, noting that the System started the session with \$147.7 million in capital funding recommended by the Governor and ended with \$140.1 million. "However the composition of the funding did change."

The General Assembly added substantial funding for 10 minor capital projects and added three public library projects to the three already recommended.

"We hope there will be an opportunity to restore the major project construction funds and MRR funds in the Fiscal Year 2006 Amended Budget," said Meredith.

The top four projects on the majors list receiving design funds included:

- ◆ Renovation of the Parks Nursing/Health Science Building at *Georgia College & State University*;
- ◆ The Health Wellness & Lifelong Learning Center at the *University of West Georgia*;

- ◆ The Library/Technology Center at *North Georgia College & State University*; and
- ◆ An academic classroom building at *Savannah State University*.

The 10 minor capital projects added to the budget by the legislature included projects at *Georgia Southern University, Waycross College, Georgia Tech, Kennesaw State University, the Medical College of Georgia, Gainesville College, Gwinnett University Center, East Georgia College, Dalton State College* and *Armstrong Atlantic State University*.

The General Assembly added funds for public library projects in Fayette, Gilmer and Hall counties to the three recommended by the Governor in Barrow, Henry and Tift counties.

In addition, the legislature:

- ◆ Agreed with the Governor's recommendation to allot \$5 million in design funds for a nano-

technology building at *Georgia Tech* and equipment funds for capital projects at *Kennesaw State University, Georgia Perimeter College* and the *University of Georgia*; and

- ◆ Appropriated funds for the renovation of the Rock Eagle 4-H Camp Dining Hall and for the construction of an animal and livestock facility in Oglethorpe County.

Summing up his thoughts on the University System's FY06 Budget, the chancellor concluded, "It is clear that this budget turns a corner and has funding for public higher education headed in the right direction. We deeply appreciate the faith that the Governor and the General Assembly have placed in us to make the wisest possible use of these resources." 🏠