



LEGISLATIVE UPDATE

A Briefing for Faculty & Staff of the University System of Georgia No. 2, January 17, 2006

“Creating a More Educated Georgia”

Perdue Backs Full Funding of Formula, 4 Percent Raises, Plus MRR Funds

University System of Georgia officials are excited that Gov. Sonny Perdue’s recommendations for the Fiscal Year 2007 Budget and Amended FY 2006 Budget included full formula funding, an average 4 percent merit salary increase for faculty and staff, and full funding of the USG’s Major Repair and Rehabilitation request. The Governor also recommended funding for 13 projects on the Board of Regents’ Minor Capital Outlay Projects Prior-

ity List, and \$1 million to aid the start-up of *Georgia Gwinnett College*, among other key priorities.

“We are pleased with the Governor’s recommendations and thank him for his strong support of the University System of Georgia,” said Interim Chancellor Corlis P. Cummings. “It is obvious the Governor considers the University System a high priority.”

Cummings also thanked Perdue “for his investment in the hard-working faculty

and staff of the University System,” noting that the recommended average 4 percent merit-based salary increase for faculty and staff represents the highest increase since FY02. If approved by the General Assembly, the raises would take effect in January 2007.

Formula Funding

Full funding of the USG formula for FY07 amounts to \$55.3 million. The Governor’s recommendation includes \$31.4 million for enrollment growth, \$6.3 million for new square footage in the University System, and \$3.8 million to cover increases in the cost of providing fringe benefits for new USG retirees. The Governor also recommended \$5.5 million to cover electrical-rate increases, which Cummings notes is “extraordinary, because the formula does not automatically provide for rate increases without a formula change.”

Another notable component of the for-

mula funds is the \$8.3 million the Governor recommended to cover increases in health-insurance premiums for USG faculty and staff. In recent years, these funds have not been provided.

“The formula represents our bread-and-butter funding – it is absolutely critical to the core mission of the University System of Georgia, which is to deliver a high-quality education to our students and, ultimately, to produce more educated Georgians,” said Tom Daniel, senior vice chancellor for external activities and facilities. “The Governor’s strong support places us in a strong position to achieve these goals.”

Full funding of the current fiscal year’s budget enabled the institutions in the University System to add approximately 630 new faculty to meet the increased demand that record enrollments have placed on the System.

See “Perdue,” Page 2 ...

Looking Ahead:

- ◆ The General Assembly was in recess for the Martin Luther King Jr. holiday on Monday, Jan. 16.
- ◆ Budget Hearings for state agencies will be conducted Tuesday and Wednesday, Jan. 17 and 18.
- ◆ Interim Chancellor Corlis Cummings is scheduled to address the Joint Appropriations Committees on the Governor’s recommendations for the University System’s Fiscal Year 2007 Budget at 10:05 a.m. on Wednesday, Jan. 18, in Room 341 of the State Capitol. 🏛️

Perdue

Continued from Page 1...

Capital Projects

Regarding the Capital Budget, Perdue recommended \$68.2 million to fully fund the University System's growing needs for MRR funds, a decision that will benefit all USG institutions. In addition, he recommended funding for 13 minor capital projects, at the following USG institutions:

- ◆ *Fort Valley State University*, \$3.9 million
- ◆ *East Georgia College*, \$1.4 million
- ◆ *Gainesville State College*, \$5 million
- ◆ *Kennesaw State University*, \$4.9 million
- ◆ *Savannah State University*, \$3.8 million
- ◆ *North Georgia College & State University*, \$4.7 million
- ◆ *University of West Georgia*, \$4.7 million

- ◆ *Skidaway Institute of Oceanography*, \$5 million
- ◆ *Waycross College*, \$2.3 million
- ◆ *Armstrong Atlantic State University*, \$5 million
- ◆ *Dalton State College*, \$4.65 million
- ◆ *Georgia College & State University*, \$4.85 million; and
- ◆ *University of Georgia*, \$5 million.

Also in the Capital Budget, the Governor recommended \$37.5 million for *Georgia State University's* majors project – a teaching lab building – and \$38 million for *Georgia Tech's* nanotechnology building, as a major economic-development initiative.

In addition, Perdue recommended appropriating \$21.5 million to the *Georgia Research Alliance* for research and development infrastructure at the USG's research universities; and \$900,000 for equipment for the

Traditional Industries Program.

The Governor's recommendations also included \$6.6 million in construction funds for four public library projects, located in Heard, Richmond, Forsyth and Gwinnett counties.

Other Notable Budget Recommendations

Additional budget recommendations Perdue made in support of the USG include:

- ◆ \$1 million for the start-up of *Georgia Gwinnett College*, which will help the University System hire and provide benefits for the 15 initial faculty needed to open the doors of the University System's 35th institution in Fall 2006. Transition funds are needed to support the initial operation of the college until its enrollment growth begins to generate state funding on its own;
- ◆ \$5 million in seed-capital funds for

Georgia Tech's Advanced Technology Development Center, a business incubator focusing on Georgia's bioscience industry;

- ◆ \$1.5 million for *Georgia's Leadership Institute for School Improvement*, which will enable more than 900 additional educational leaders to participate in the leadership-development program annually;
- ◆ \$900,000 to enhance the *Georgia Public Library System's* New Directions funding formula, along with \$403,000 to cover increases in the cost of health-insurance premiums for GPLS employees; and
- ◆ A reduction in the USG's budget of approximately \$978,000 to transfer the "*Education. GO Get It*" initiative (often simply referred to as "GO") to the Department of Education. 🏠

Next Up...

- ◆ Highlights of Interim Chancellor Corlis P. Cummings' Budget Address before the Joint Appropriations Committees outlining the details of Gov. Sonny Perdue's budget recommendations on behalf of the Board of Regents. 🏠