



LEGISLATIVE UPDATE

A Briefing for Faculty & Staff of the University System of Georgia No. 3, January 23, 2006

“Creating a More Educated Georgia”

Interim Chancellor: Meeting University System’s Budgetary Needs a Sound Investment for the State

Interim Chancellor **Corlis P. Cummings** used her one-hour audience with the Joint Appropriations Committees on Jan. 18 to drive home the University System of Georgia’s long-standing focus on accountability, its tremendous impact on the state’s economy and the importance of USG programs recommended by the Governor for legislative funding.

Before outlining the details of Gov. Sonny Perdue’s recommendations for the System’s Fiscal Year 2007 and FY06 Amended budgets, Cummings cited for legislators a number of key performance indicators demonstrating the System’s “return on investment.” She noted, for example, that:

◆ The USG has experienced seven consecutive years of enrollment growth, to a record high of 253,552 students in Fall 2005;

- ◆ Retention and graduation rates in the System have improved significantly in recent years and are a key focus of the Board of Regents’ strategic goals this year;
- ◆ University System of Georgia institutions conferred 43,670 degrees in FY05, a 26 percent increase in degrees earned over the past four years;
- ◆ Georgia’s four-year public institutions charge the least tuition and fees of the 16 states that make up the Southern Regional Education Board (SREB), and they had the lowest percent increase in FY05 of all SREB states;
- ◆ Two of the System’s research universities rank among *U.S. News & World Report’s* top 20 public universities in the nation for academic



Interim Chancellor Corlis P. Cummings

quality, and Georgia is one of only four states with this distinction. *Georgia Tech* ranks 9th and the *University of Georgia* ranks 19th on the magazine’s Top 20 list; and

◆ The University System of Georgia brought a record \$980.6 million in sponsored research dollars to Georgia during FY04, which translates to more jobs and business for the state.

“What does the state get from its investment in the University

System of Georgia?” Cummings asked. “Chairman J. Timothy Shelnut made one of his four priorities for this year a thorough accounting of the total impact of the University System on the state. For a \$1.6 billion investment by the state, the University System offers a direct \$23.3 billion return.

“That’s a return on investment of approximately 15 to 1,” Cummings said. “And that doesn’t even factor in cultural contributions and the financial im-

Budget

Continued from Page 1...

... pact of construction on our campuses.”

Turning to the Governor’s FY07 budget recommendations, Cummings told Appropriations Committees members she felt it important to “go beyond the numbers and give you a sense of what you can expect for the money.”

Regarding Perdue’s recommendation to

fully fund the USG’s funding formula, Cummings assured legislators that the focus of the new formula dollars will be on hiring faculty to meet student demand, expanding programs to meet the state’s needs, upgrading technology and equipment, and other strategic priorities.

“Ultimately, formula dollars are critical to the University System,” she said. “They will help us in our goal

of retaining and graduating students.”

Cummings promised a significant return on the Governor’s recommendation to allocate \$1 million to support the start-up of the University System’s newest institution, *Georgia Gwinnett College*, which will begin enrolling juniors and phasing in programs this fall.

“We will be able to provide access to public higher education to

an additional 10,000 students in the region, which will contribute to the continued economic growth of the area,” Cummings said. “This new institution also will benefit the state and the University System by establishing new models for business operations, teaching and partnerships with industry and the community that we can replicate at existing USG institutions.”

The Governor’s recommendation to provide \$1.5 million in new funds to expand the unique leadership-development programs offered by the *Georgia Leadership Institute for School Improvement (GLISI)* will allow an additional 2,520 school principals, superintendents and other education leaders to take part in GLISI’s highly successful program over the next three years, Cummings noted. The institute is a public-private partnership of the University System, the Department of Education, the Governor’s Office and the Georgia Partnership for Excellence in Education.

Regarding a recommendation of \$5 million to expand the Seed

See “Budget,” Page 3 ...

Looking Ahead:

- ◆ The House Appropriations Subcommittee on Higher Education, chaired by Rep. Bob Smith, will hear presentations by USG presidents on campus successes, accomplishments and efforts to meet state needs. The meetings are slated for Tuesday, Jan. 24, from 1-5 p.m. in Room 415 of the Coverdell Legislative Office Building, and again from 1-5 p.m. on Thursday, Jan. 26, in Room 606 of the Coverdell Building.
- ◆ The House Higher Education Committee, chaired by Rep. Bill Hembree, has scheduled a discussion of issues related to the transferring of credits on Tuesday, Jan. 24, at 2 p.m. in Room 606 of the Coverdell Building.
- ◆ The Senate Higher Education Committee, chaired by Sen. Seth Harp, has scheduled a discussion of Senate Resolution 655, the HOPE Chest, on Wednesday, Jan. 25, at 12 p.m. in the Georgia State University Student Center.
- ◆ The House Appropriations Subcommittee on Higher Education also will hear the Georgia Public Library Services’ budget presentation on Wednesday, Jan. 25, at 1 p.m. in the Georgia Public Broadcasting Building. 🏛️

Budget

Continued from Page 2...

Capital Fund for **Georgia Tech's Advanced Technology Development Center** (ATDC), Cummings explained that the ATDC supports the creation and growth of cutting-edge science and technology companies in Georgia. Innovations developed through the USG and elsewhere can be rapidly transformed into growing businesses and jobs that give the state a competitive advantage.

Citing results, Cummings said the state's investment of \$5 million in seed capital funds during FY00 attracted \$145 million in capital investment, helped launch 11 companies and created 270 jobs with an average salary of \$98,000.

Bioscience is the next frontier in business identified by the Commission for a New Georgia," Cummings noted. "Clearly, your investment has paid off, and the additional \$5 million will go a long way in helping more companies get started and provide knowledge-based jobs of the future right here in Georgia. This is a substantial return on your investment."

Turning to the USG's facilities needs, Cummings told legislators the Governor's capital funding recommendation totals \$227.9 million. That includes a "critical" \$68.2 million in major repair and rehabilitation (MRR) funds and funding for 13 minor capital outlay projects.

She noted that Perdue also has recommended funding for the following:

- ◆ Two projects backed by significant private dollars – \$38 million for **Georgia Tech's** nanotechnology building (totaling \$80 million) and \$37.5 million for a teaching lab building at **Georgia State University** (totaling \$75 million);
- ◆ **Georgia Research Alliance** projects totaling \$21.5 million;
- ◆ Equipment funding for the **Traditional Industries Program**, totaling \$900,000; and
- ◆ Construction funds totaling \$6.65 million for new public libraries in four counties: the Epheaus Public Library in Heard County (\$650,000); the Headquarters Library in Rich-

mond County, (\$2 million); the Post Road Branch Library in Forsyth County (\$2 million); and the Hamilton Mill Branch Library in Gwinnett County (\$2 million).

Among Perdue's recommendations for the FY06 Amended Budget, Cummings listed a series of adjustments to prior appropriations, including the following:

- ◆ a funding increase of \$1.7 million to cover Workers' Compensation premiums for the USG;
- ◆ a transfer of approximately \$69,000 from the **Georgia Public Library Services** to the University System Office to correct an error in the System's rental agreement with the Georgia Building Authority;
- ◆ approximately \$552,800 to correct an error in personal services for the **Georgia Tech Research Institute**;
- ◆ a \$220,000 adjustment to reflect an increase in the employer share of the State Health Benefit Plan to correct an error for GPLS;
- ◆ \$900,000 for equipment needs for the

Traditional Industries Program;

- ◆ \$300,000 in increased funds for maintenance and operations to continue the current level of service by the Agricultural Experiment Station;
- ◆ \$525,000 for the bio-refinery in the Research Consortium program; and
- ◆ approximately \$677,000 to adjust the debt-service payback for the construction of the Student Center at **Georgia Southern University**.

In concluding her address, Cummings said the University System's budget "is focused, it is mindful of the state's many obligations and responsibilities, and it is designed to be accountable to you and all our funding partners. But it also respects our responsibilities to the state and its citizens to provide a public higher-education system of tremendous quality and value." 🏠