



LEGISLATIVE UPDATE

A Briefing for Faculty & Staff of the University System of Georgia No. 11, March 28, 2006

“Creating a More Educated Georgia”

FY07 Budget Formula Funds: Progress, but ‘Not There Yet’

The University System gained back some of its lost formula funding when the Senate passed its version of the Fiscal Year 2007 Budget on Thursday, but System leaders are not fully satisfied yet.

“Progress is being made,” Chancellor **Erroll B. Davis Jr.** said after the Senate added back to the budget half of the

formula funds and the Maintenance, Repair and Rehabilitation (MRR) funds removed earlier this month by the House. “The Senate’s action reflects that it recognizes our needs.” We are moving in the right direction to fully fund our formula request, but we are not there yet,” he stated.

Georgia senators added back \$1.25 million of the \$2.5 million reduction in formula

Tick, Tick, Tick

Today – Tuesday, March 28 – is the 39th day of the Georgia General Assembly’s 40-day legislative session. A lot of business remains to be accomplished in the final two days.

Thursday, March 30, is the target date for “sine die,” or final adjournment, if the Conference Committee on the FY07 Budget can reconcile all remaining issues. Dozens of other bills still await a vote as well, so legislators will be meeting and debating full-tilt during the session’s remaining hours. ☰

Update on Four USG Bills

As of Monday, March 27, three of the four bills put forward by the University System during the current legislative session had been adopted by the General Assembly:

- ◆ **House Bill 1294**, which extends the benefits of prior legislation allowing the USG and Department of Technical and Adult Education to carry forward funds such as continuing education fees, technology fees and certain other funds they collect;
- ◆ **House Bill 1305**, which updates the current Capital Seed Fund legislation; and
- ◆ **Senate Bill 506**, which amends a current law capping the fees that HOPE covers, thereby allowing Georgia Gwinnett College students to qualify for HOPE funds.

Senate Bill 562, which creates the Georgia Higher Education Facilities Authority, was amended by the House of Representatives and therefore must return to the Senate for another vote. *Legislative Update* will provide details of the changes in the next issue. ☰

funds for health insurance approved by the House on March 8. This move restored the funding needed to cover recent increases in health insurance premiums for USG employees from \$5.7 million to just over \$7 million, much closer to the \$8.2 million recommended for this purpose by **Gov. Sonny Perdue**.

In addition, the Senate added back \$6 million in MRR funds to the capital outlay portion of the budget – half of the \$12 million reduction approved by the House. This increases MRR funding from the \$56.2

million approved by the House to \$62.2 million. However, the Governor’s recommendation of \$68.2 million would fully fund the University System’s growing needs

“Full MRR funding allows us to address the major renovation and infrastructure projects needed to maintain the state property in the University System’s stewardship,” said **Thomas E. Daniel**, senior vice chancellor for external activities and facilities. “The University System of Georgia operates more than half of

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all the square footage owned by the State of Georgia, and a good many of these buildings are 25 to 50 years old. We have an on-going backlog of renova-

tion and repair needs to meet, and only full funding will allow us to adequately protect the state's investment.”

A Conference Committee already has begun work on reconciling the House and

Senate versions of the FY07 Budget, and the Legislature is buckling down for the final days of the 2006 session this week. Davis and Daniel said they and other USG officials would work with the

Governor's Office, the Office of Planning and Budget, and members of the Conference Committee to champion the Governor's formula and MRR recommendations. 🏛️