



LEGISLATIVE UPDATE



A Briefing for Faculty & Staff of the University System of Georgia

No. 11, April 16, 2007

“Creating a More Educated Georgia”

House FY08 Budget Deletes Projects, Reduces Formula Funds

The Countdown

Session Schedule for Days 37-40

At press time, the remaining days of the 2007 regular session of the Georgia General Assembly were scheduled as follows:

Monday, April 16

Day 37 of session

Tuesday, April 17

Day 38 of session

Wednesday, April 18

in adjournment

Thursday, April 19

Day 39 of session

Friday, April 20

Day 40 of session 🏛️

The Georgia House of Representatives on Friday approved a state budget for Fiscal Year 2008 containing four notable changes from Gov. Sonny Perdue’s recommendations.

Senior Vice Chancellor For External Affairs **Tom Daniel** indicated that each change made by the House – including a \$4.5 million reduction of the University System of Georgia’s formula funds, redirection of \$3.8 million for the expansion of medical education in Athens and the deletion of the System’s top two major capital outlay projects – “has major policy

implications for the System.”

“We will be working extremely hard to show the Senate why it is critical to return to the Governor’s recommendations for the System,” he said. “Since our formula request is based on institutional needs, any shortfall in funding for utility costs will result in less money being available for other institutional priorities. There is much work to be done before adjournment.”

The House reduced the portion of the USG’s formula funds that Perdue recommended be set aside

for utilities from \$14.5 million to \$10 million. In addition, the House redirected the \$3.8 million Perdue had recommended for the expansion of the *Medical College of Georgia* in Athens. House members decided to put \$2.8 million toward the expansion of MCG’s existing programs in Augusta and give the Department of Community Health \$1 million with which to launch a medical residency program in Athens.

The House also voted to delete the top two major capital outlay projects recommended by the Governor for

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Amended Budget Covers TRS Rate Increase, but Not Health Insurance Costs

On Friday, both the House of Representatives and the Senate finalized the amended budget for Fiscal Year 2007, which ends on June 30, 2007. The version now bound for the desk of Gov. Sonny Perdue includes funding needed to cover a rate increase by the Teach-

er’s Retirement System of Georgia, but excludes two of the Governor’s recommendations – \$2.5 million to cover increases in health insurance for University System employees and \$90,000 in funding for Internet filtering on computers in Georgia’s public libraries.

“These decisions will have consequences for the University System of Georgia,” said Senior Vice Chancellor For External Affairs **Tom Daniel**. “We have managed our employees’ health-care costs remarkably well in recent years, but there is a limit to how much

we can control the rising cost of providing healthcare, and we reached that limit at some point in the past. We did not receive full funding for last year’s increase in the employer portion of health-insurance premiums, and

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FY08 Budget

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the University System, dropping construction funds totaling \$12.7 million for an academic classroom building at *Savannah State University* and \$22.2 million for a professional sciences center at *Macon State College*.

“We know of no opposition to the merits

of these two projects and are seeking further information on the deletions,” Daniel said.

The FY08 Budget went to the Senate Friday afternoon, with only four days remaining in the regular session for debate and resolution of this crucial piece of legislation. 🏛️

Amended Budget

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now we will not receive any money for this year’s increase, but the obligation remains.”

The only item in the amended budget relevant to the University System when the legislation was sent to the Governor’s office was Gov. Perdue’s recommendation of \$321,950 to cover the Teacher’s Retirement System rate increase.

By the time the budget legislation was finalized, the Senate had already removed several items added

by the House, most notably:

- ◆ \$5 million in design funds for the *Medical College of Georgia’s* School of Dentistry;
- ◆ \$2.65 million to complete the expansion of the dining hall at the *University of Georgia’s* Rock Eagle 4-H campus; and
- ◆ \$1 million to fund three Eminent Scholars (one each at *Georgia Southern University*, *Georgia State University* and *Georgia Tech*). 🏛️