



# LEGISLATIVE UPDATE

A Briefing for Faculty & Staff of the University System of Georgia No. 7, February 25, 2008

“Creating a More Educated Georgia”

## House to Take Up Discussion of FY09 Budget as Pace Quickens

The pace of life under the gold dome is picking up, now that the mid-point of the Georgia General Assembly’s 40-day session has passed. The legislature is in recess today, and Tuesday will be Day 23 of the session.

With “Crossover Day” – the day by which all legislation must pass through at least one chamber in order to remain alive – fast approaching on Day 30, committees and subcommittees of both the House and Senate are hard at work on processing bills. The Conference Committee on the Fiscal Year 2008 Amended Budget met today to work out differences between the House and Senate, and when the General Assembly reconvenes on Tuesday, the House will be turning its attention to the Fiscal Year 2009 Budget.

For the University System of Georgia (USG), the main

elements of the FY09 Budget are as follows:

### Formula Funds

The formula by which the USG’s bread-and-butter operating funds are calculated is driven by enrollment. The University System currently has 270,000 students. The FY 09 formula is based on the FY07 enrollment of 260,000 students, so the General Assembly’s full support of Gov. Sonny Perdue’s recommendation of \$114.7 million in formula funds – including \$81.6 million to cover the enrollment increase – is crucial to the System.

### Expansion of Medical Education

The Board of Regents’ new Strategic Plan calls for the University System of Georgia to increase its production of health care professionals. A key element of this goal involves educating more physicians by increasing the *Medical College of Georgia’s*

enrollment capacity from 190 first-year medical students to 300 by 2020. Chancellor Erroll B. Davis Jr. has told legislators that the \$7.2 million recommended by Gov. Perdue for the expansion of medical education in Augusta and Athens “will help us begin this process.”

The regents have charged the chancellor and the presidents of both MCG and the *University of Georgia* (UGA) with developing detailed implementations strategies for boosting MCG’s physician enrollment by 60 percent, in part by developing and operating a new four-year MCG School of Medicine campus in Athens in partnership with UGA.

In his address to the Joint Appropriations Committee on the budget last month, Davis said, “Any delay in increasing the production of more health professionals puts the health of Georgia’s population at risk. Over

the last two years, Georgia has slipped from 37<sup>th</sup> to 40<sup>th</sup> place in doctors per capita.”

### Additional Start-Up Funds for GGC

The Strategic Plan also calls for the University System to increase its enrollment capacity and expand Georgians’ access to higher education. The System’s newest campus, *Georgia Gwinnett College* (GGC), is helping the USG to meet these goals. Gov. Perdue’s recommendation that GGC be given \$6.5 million in new start-up funds will help the institution to meet accreditation requirements such as library holdings. Davis expects Georgia Gwinnett to be accepted soon for candidacy by the Southern Association of Colleges and Schools, which, in turn, will open the doors to increase enrollment as students

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## FY09 Budget

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become eligible for financial aid.

## Capital Budget

If the University System is to meet its strategic goal to increase its enrollment capacity by 100,000 students by 2020, more facilities are needed to accommodate this growth. The System's new model for long-term building planning gives the regents a more precise tool for establishing priorities and aligning them with the Strategic Plan. The Governor has recommended \$246.9 million in funding for capital projects, including equipment funds for five projects, construc-

tion funds for 10 projects and design funds for six USG projects and four public library projects.

He also recommended \$30 million in cash (plus \$35 million in bonds) for Major Repairs and Rehabilitation (MRR), which keeps the System's existing facilities usable. The University System is limited to requesting 1 percent of the estimated replacement value of its facilities in MRR funds.

"The MRR needs of our institutions go far beyond our request – at least twice as much," the chancellor has told legislators.

The House Higher Education Finance and Formula Study Com-

mittee headed by Rep. Bob Smith recently examined MRR funding practices among public postsecondary education facilities in Georgia and concluded that the MRR formula does warrant adjustment.

Smith's committee asked the consulting firm MGT of America, Inc., to review MRR funding practices for both the USG and the Department of Technical and Adult Education (DTAE). According to the firm's findings, higher-education facilities-management literature suggests that the MRR budget should be 2-3 percent of building-replacement value, studies for federal facilities recommend a 2-4 percent rate and

in the private sector, a rate of 2-6 percent of replacement value is typical.

## Salary Increase

The Governor has recommended a merit salary increase for USG employees in FY09 averaging 2.5 percent. Chancellor Davis has said the increase is needed to help Georgia compete regionally and nationally for top faculty to teach the state's students.

Rep. Smith's committee recently undertook a study of USG and DTAE faculty salaries [*more about this study in next week's issue*]. 