



LEGISLATIVE UPDATE

A Briefing for Faculty & Staff of the University System of Georgia No. 8, March 3, 2008

“Creating a More Educated Georgia”

Update on FY08 Amended Budget, HB 1183 and HB 815

A conference committee continued to negotiate the state’s Fiscal Year 2008 Amended Budget at week’s end.

Meanwhile, House Bill 1183, legislation that would permit the University System of Georgia to carry forward tuition revenues from year to year, passed the House last week and now is before the Senate Higher Education Committee.

Rep. Clay Cox of Gwinnett County introduced the original carry-forward legislation, HB 1170, at the request of USG officials. When Rep. Bob Smith of Watkinsonville

introduced legislation that includes the carry-forward needs of the Department of Technical and Adult Education (DTAE) as well as the USG, all parties agreed to use Rep. Smith’s bill, HB1183.

House Bill 815, legislation changing provisions governing the University System’s Optional Retirement Program (ORP), has passed the House and now is before the Senate Retirement Committee.

This legislation would allow new faculty and principal administrators hired on or after July 1, 2008, to choose to invest their contribu-

tion, along with the employer contribution, in a 401(k) plan, giving them immediate vestment and portability.

The ORP was developed in 1990 to serve as a recruiting tool for faculty, researchers and administrators. It is a defined contribution plan managed by the employee. In 1997, the last time the ORP was modified, the legislature gave the Teachers Retirement System of Georgia (TRS) responsibility for setting the employer contribution rate. HB 815 would permit the Board of Regents to set this rate.

The ORP is more attractive to young faculty recruits, as well as individuals who may have enjoyed a career in the private sector, as they may have already established 401(k) plans.

This legislation allows the Board of Regents to remain competitive in the national marketplace, to adjust rates in accordance with budget concerns and to align the University System’s policies with current efforts to revamp the merit system for all state employees. 🏛️