



LEGISLATIVE UPDATE

A Briefing for Faculty & Staff of the University System of Georgia No. 9, March 12, 2008

“Creating a More Educated Georgia”

Session News

Tuesday – Day 30 of the legislative session, was Crossover Day – one of the most important days of the 40-day law-making process, because it is the deadline by which a bill must clear at least one chamber of the General Assembly if it is to be considered in the current session.

House and Senate calendars are generally long on Crossover Day, as each chamber attempts to pass as many of its own propositions as possible before taking up the business of the other chamber.

Meanwhile, although only 10 legislative days remain in this session, final adjournment has been moved back at least a week due to the announcement on Monday of a revised state revenue estimate (see separate story), which will require reworking the Amended Fiscal Year 2008 and Fiscal Year 2009 budgets.

The session originally was scheduled to end around April 2, but now legislative leaders are predicting final adjournment will take place sometime during the week of April 7. 🏛️

Governor Adjusts FY09 Budget Recommendations Following Revised State Revenue Estimates

Gov. Sonny Perdue announced Monday afternoon he has downsized the state’s revenue estimates for both Fiscal Year 2008 and Fiscal Year 2009 in response to flattened revenues from state tax collections, giving the Georgia General Assembly \$65 million less to appropriate to state agencies in the Amended FY08 budget and \$245 million less in the FY09 budget.

However, the Governor’s recommendations left the University System of Georgia’s (USG) amended FY08 budget intact, and his proposed reductions to the FY09 budget would not impact the USG’s critical formula funding. Merit salary increases for USG employees could be reduced by half a percent for FY09.

“We are taking proactive steps to make sure that Georgia’s state government remains fiscally responsible,” Perdue told the media in announcing that February 2008 revenue collections were nearly flat compared to the same period in 2007. “We will not repeat the mistakes of the past and wait too long to tighten our belts when the economy signals that it may be softening.”

Chancellor Erroll B. Davis Jr. said the Governor’s revised recommendations for the USG would have the following impact on the FY09 Budget, if approved by legislators:

- ◆ reduce merit salary increases for USG employees from 2.5 percent to 2 percent;
- ◆ convert \$35 million in cash funding for Major Repair and Rehabilitation (MRR) to bonds;
- ◆ reduce by \$14.4 million funding for the Regents’ Retiree Health Benefits Fund (a budget item known as “Other Post-Employment Benefits,” or OPEB);
- ◆ reduce by \$1 million funding for materials and books;
- ◆ reduce by \$580,000 funding for the Public Information Network for Electronic Services (PINES) library network; and
- ◆ reduce by \$800,000 the recommendation for infrastructure needs on the *University of Georgia’s* Griffin campus.

Perdue also instructed the Office of Planning and Budget to advise all state agencies to restrict hiring for non-critical positions and to reduce discretionary expenditures for travel, contracts and other areas in order to curtail spending for the remainder of the current fiscal year.

“The Governor is wise to be proactive in a manner that will allow the University System to plan ahead,” said Thomas E. Daniel, senior vice chancellor for external affairs. “His revised recommendations make it clear that the Governor considers public higher education to be a wise and strategic investment in the state’s future.” 🏛️