



Board of Regents University System of Georgia

**Tuition, Fees and Allocations
April 14, 2015**

"Creating A More Educated Georgia"

Fiscal Year 2015 Amended

FY 2015 Amended

State Funds – Special Funding Initiatives:

Clinical Trials on Cannabidiol	\$ 4,885,853
Georgia Film Academy (USG and TCSG)	<u>647,875</u>
Total FY 2015 Amended Recommendations	\$ 5,533,728

G.O. Bonds:

Transfer authorization for \$1,350,000 in 5-year taxable bonds for equipment for the Athens and Tifton Veterinary Diagnostic Laboratories (HB 744, Bond #113, page 134, line 4017) from the Department of Agriculture to the Board of Regents

Georgia Film Academy

- Promote Economic Development in Georgia
- Provide Assistance to the Georgia Film Industry (3rd Largest)
 - Current expertise and programs of USG & TCSG institutions
 - Develop new programs to meet current and future film industry workforce needs
 - Focus on short-term programs to provide necessary labor and skills to studios
- Certificate Programs: camera operation; set design and construction; lighting; film lab operation; sound design; etc.
- Appropriated Funding:
 - Amended FY 2015 - \$647,875
 - FY 2016 - \$2,565,600
 - FY 2016 G.O. Bonds - \$4,000,000

Agenda Item #1

Approval: Fiscal Year 2015 Amended Budget

Recommended: That the Board approve the allocation of state appropriations for the FY 2015 amended budget.



FY 2016 Tuition, Fees and Allocations

"Creating A More Educated Georgia"

Fiscal Year 2016 Operating Budget

FY 2015 State Funds Budget

\$ 1,939,087,764

Enrollment Change	\$ 7,624,240
Maintenance and Operations	6,896,397
Health Insurance and Retirees	22,070,202
TRS & ERS Retirement Increase	15,255,856
Payback Projects Retired (GIT, GSU, Gordon, former SPSU)	1,310,760
Reduce Funding for Georgia Gwinnett College	(1,375,000)
Georgia Southern University - Advanced Manufacturing	1,000,000
Warner Robins - Military & Academic Training Facility Operating	485,000
Merit-Based Pay and Employee Recruitment/Retention Initiatives	<u>10,000,000</u>
Formula Subtotal	\$ 63,267,455

Other Items:

Georgia Film Academy	2,565,600
Georgia Tech - Advanced Technology Development Center	1,200,000
UGA – Cooperative Extension Service	360,000
University of North Georgia - New Instructional Facility	943,000
Other Items (Research Alliance Transfer, Unit “B” Health-Retire)	<u>12,971,872</u>
Other Items Subtotal	\$ 18,040,472

Increase State General (Cash) Funds (4.19%)

81,307,927

FY 2016 State Funds Budget

\$ 2,020,395,691

FY 2016 Capital Summary

	<u>Request</u>	<u>Final</u>
Major Repair and Renovation	\$ 60,000,000	\$ 60,000,000
Equipment	3,300,000	3,300,000
Construction	157,500,000	162,005,000
Small Capital Projects	0	41,500,000
Planning	9,800,000	9,800,000
Other Items (Warm Springs, GA Film, Dairy Science)	5,000,000	32,900,000
Georgia Public Libraries	19,236,750	11,950,000
Georgia Research Alliance	0	10,810,000
Georgia Military College	0	1,305,000
Georgia Public Telecommunications Comm.	<u>0</u>	<u>620,000</u>
Total – Capital Outlay (G.O. Bonds)	\$254,836,750	\$334,190,000

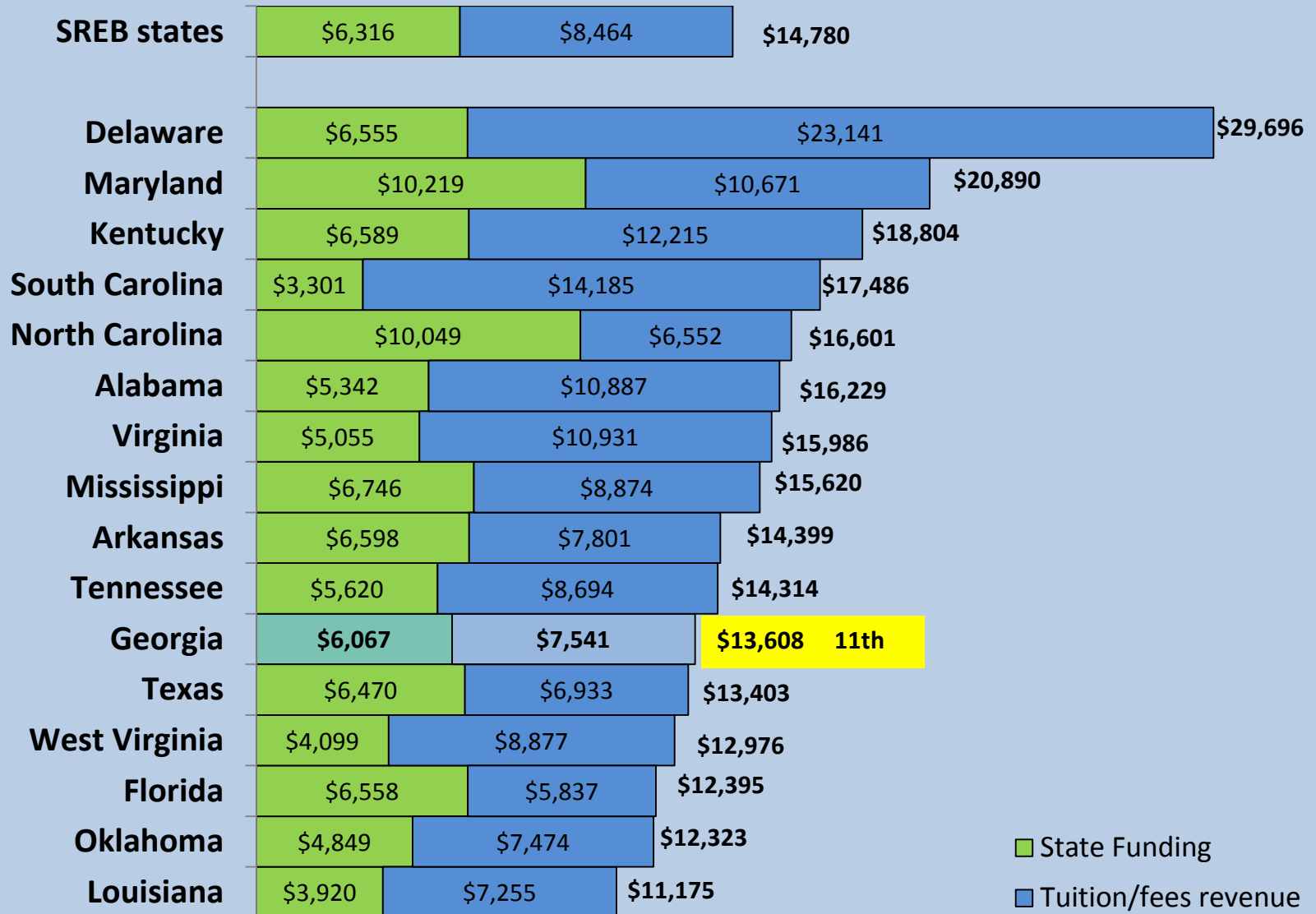
Tuition Considerations

- Balancing Quality Instruction against Affordability
- Resources Needed to Maintain Quality Instruction
 - Faculty
 - Technology
 - Operating Expenses
- Complete College Georgia (Service Delivery Model)
- Maintain State Fund – Tuition Balance/Partnership
 - Formula Envisions Shared Cost Approach
 - State Funds Increased by 4.19% (\$81.3 Million)

Tuition and Resource Needs

- Financial Impact of Economic Downturn
 - Formula Sustained Reductions - \$1.2 Billion (28%)
 - Enrollment Growth During Downturn
- Reduction Actions During Downturn:
 - Use of Part-Time Faculty (Including Class Size & Teaching Loads)
 - Delay Replacement of Technology
 - Defer Maintenance
- Other Actions to Control Costs (Consolidation, Textbooks, Online Instruction, Health Plan Revisions)
- Formula Obsolescence

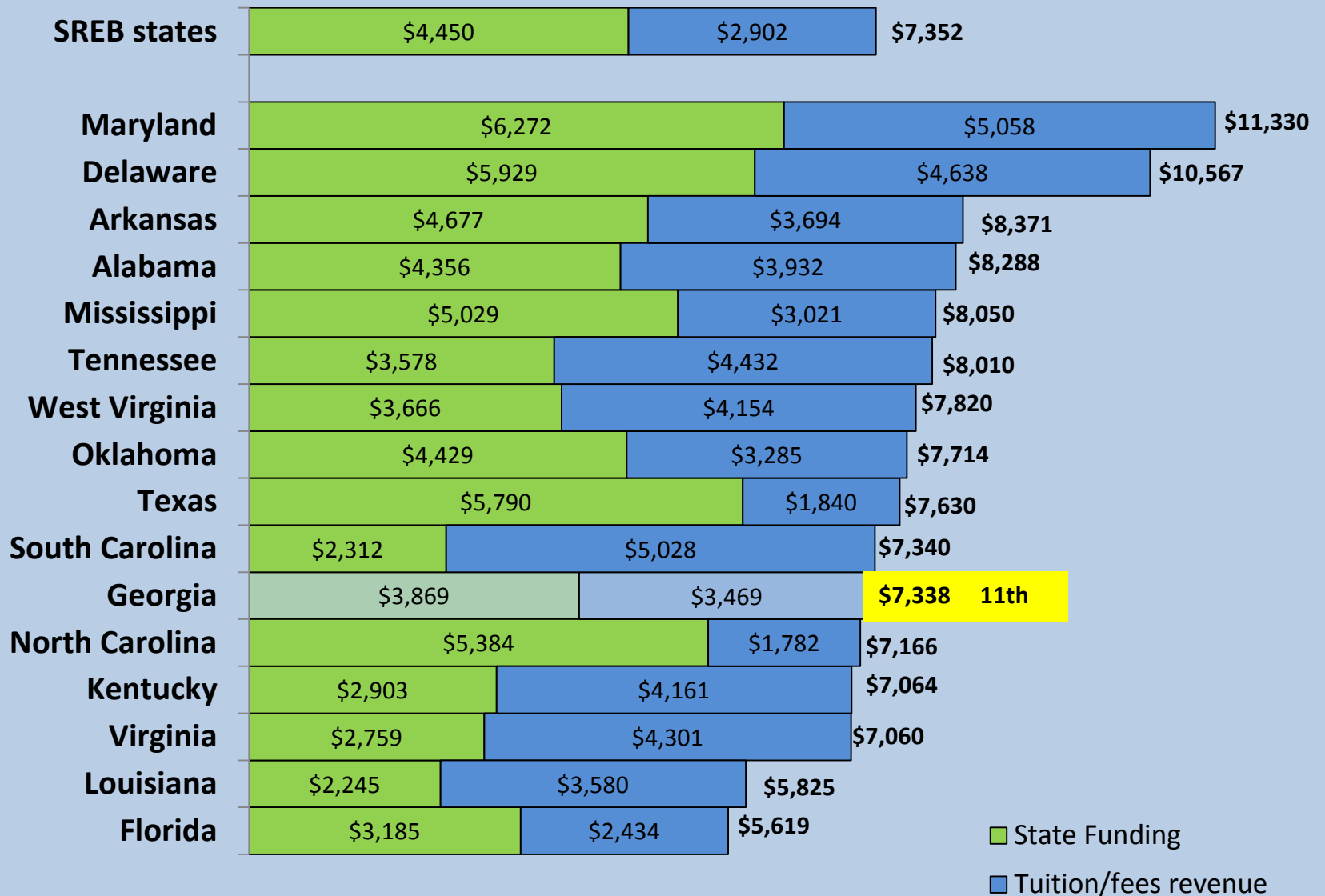
SREB Public Four-Year Colleges and Universities Appropriations and Tuition/Fees Revenues per FTE Student 2013 - 2014



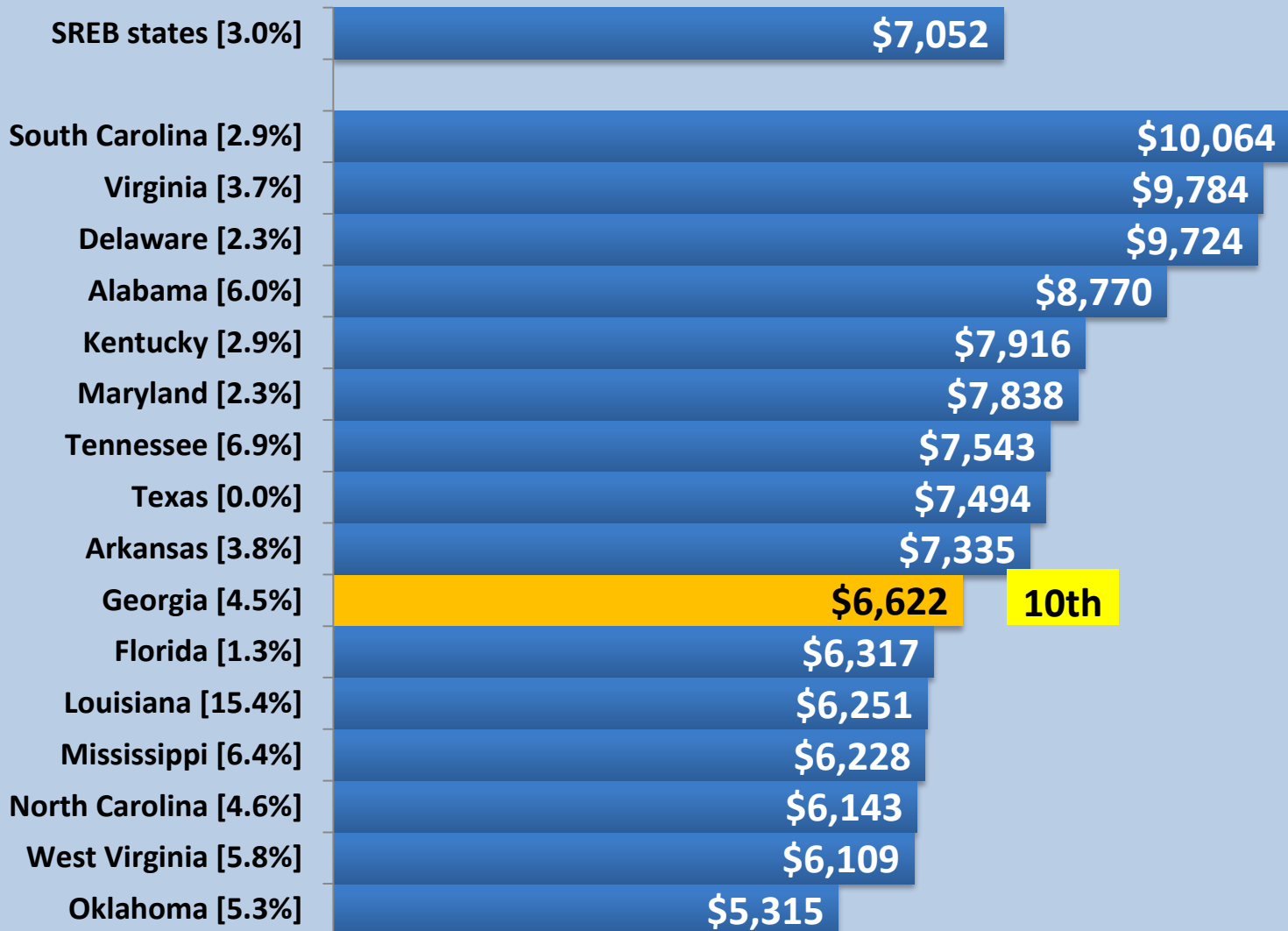
SREB Public Two-Year Colleges

Appropriations and Tuition/Fees Revenues per FTE Student

2013 - 2014

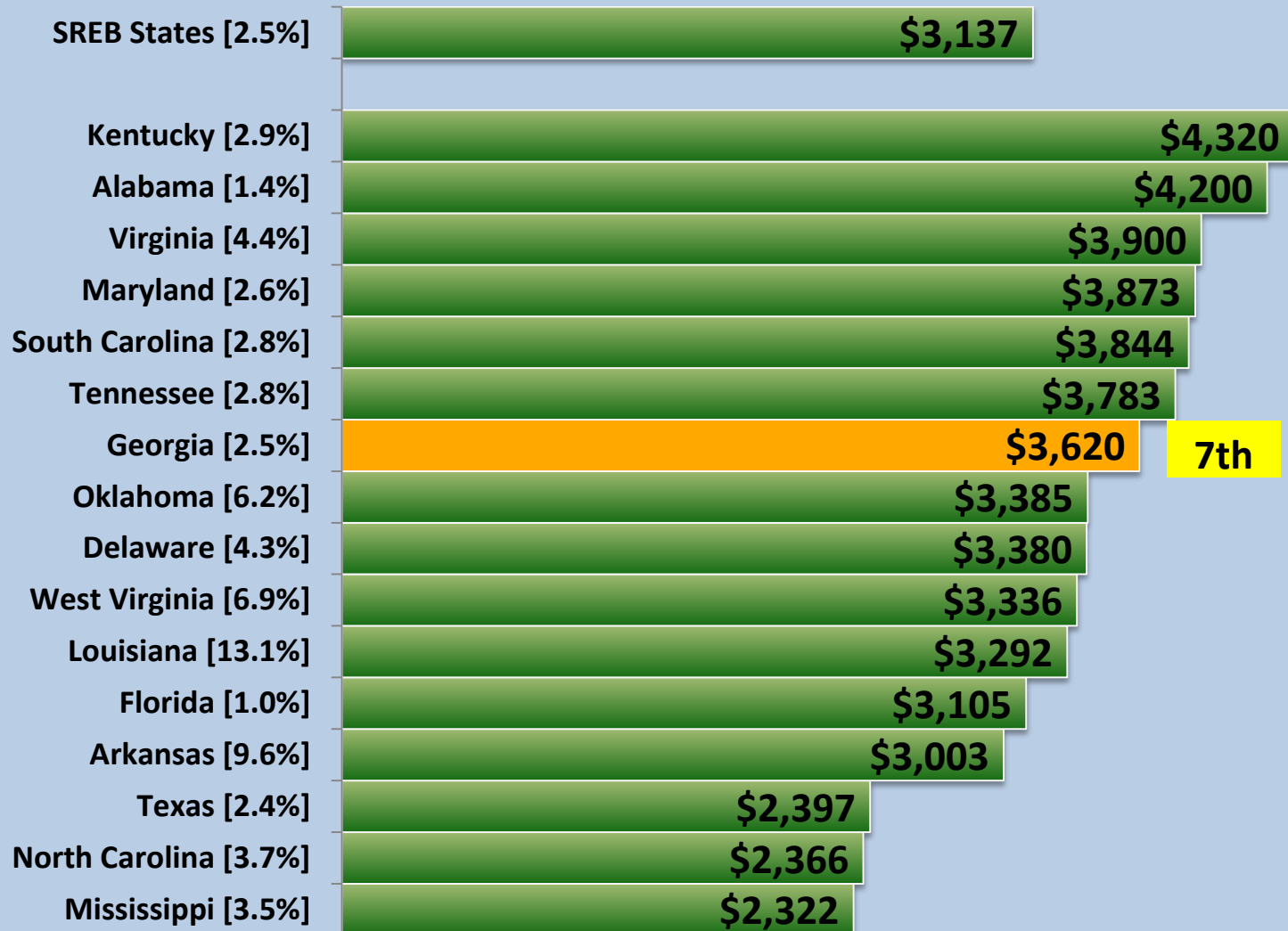


SREB Public Four-Year Colleges and Universities Annual Tuition and Required Fees for In-State Undergraduates, 2013 - 2014



SREB Public Two-Year Colleges

Annual Tuition and Required Fees for In-State Undergraduates, 2013 - 2014



SREB Weighted Average Salaries of Full-Time Faculty

Public Four-Year Institutions

Georgia slipped from 5th to 9th position among the SREB state between FY00 and FY14.

State	FY 2000	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Delaware	\$66,188	\$83,127	\$86,567	\$90,054	\$93,548	\$94,474	\$97,529	\$101,359	\$100,241
Virginia	\$61,862	\$76,996	\$79,726	\$80,440	\$80,650	\$80,471	\$82,808	\$79,875	\$87,041
Alabama	\$52,040	\$68,681	\$71,865	\$71,511	\$71,754	\$72,752	\$75,379	\$73,960	\$81,264
Florida	\$55,853	\$72,862	\$73,882	\$74,943	\$76,317	\$78,037	\$79,760	\$78,326	\$81,169
Texas	\$55,479	\$68,875	\$72,148	\$74,697	\$76,261	\$75,977	\$77,717	\$78,645	\$80,368
Maryland	\$59,319	\$76,410	\$77,248	\$80,634	\$81,159	\$87,322	\$81,223	\$77,349	\$79,110
North Carolina	\$58,568	\$72,493	\$76,741	\$79,395	\$79,533	\$79,333	\$79,226	\$77,556	\$78,318
South Carolina	\$54,493	\$66,317	\$68,742	\$69,305	\$70,067	\$70,294	\$71,528	\$74,782	\$75,515
Georgia	\$58,315	\$69,795	\$70,385	\$73,603	\$72,788	\$72,774	\$72,518	\$73,794	\$73,968
Tennessee	\$51,806	\$63,379	\$66,163	\$66,252	\$67,048	\$67,160	\$69,499	\$70,562	\$72,709
Kentucky	\$53,754	\$64,546	\$67,553	\$68,525	\$68,261	\$69,043	\$70,056	\$69,886	\$72,233
Oklahoma	\$50,805	\$63,237	\$64,773	\$66,782	\$66,620	\$66,817	\$68,501	\$69,338	\$71,114
West Virginia	\$48,514	\$58,850	\$62,002	\$64,962	\$64,924	\$65,285	\$67,727	\$68,035	\$68,673
Arkansas	\$49,442	\$58,608	\$60,529	\$61,636	\$59,792	\$61,130	\$62,729	\$59,533	\$67,173
Mississippi	\$51,226	\$59,930	\$62,653	\$62,771	\$62,528	\$62,816	\$64,657	\$64,369	\$66,023
Louisiana	\$46,874	\$58,590	\$62,975	\$64,829	\$65,474	\$65,909	\$65,593	\$63,589	\$65,404
Georgia Ranking (out of 16)	5	6	8	7	7	7	8	9	9
SREB States Avg (Inclusive of USG Institution)	\$55,022	\$68,583	\$71,266	\$72,998	\$73,450	\$73,955	\$75,046	\$74,598	\$77,029
Amount Needed to reach Avg	\$3,293	\$1,211	(\$880)	\$605	(\$662)	(\$1,180)	(\$2,528)	(\$804)	(\$3,061)
% above/below Avg	5.99%	1.77%	-1.24%	0.83%	-0.90%	-1.60%	-3.37%	-1.08%	-3.97%
Median	\$54,123	\$67,499	\$69,564	\$70,408	\$70,911	\$71,523	\$72,023	\$73,877	\$74,742
Amount Needed to reach Median	\$4,192	\$2,296	\$821	\$3,195	\$1,877	\$1,251	\$495	(\$83)	(\$774)
% above/below Median	7.75%	3.40%	1.18%	4.54%	2.65%	1.75%	0.69%	-0.11%	-1.03%

Tuition – Undergraduate

Appendix IA

- Recommend a 2.5% Increase for 20 Institutions
- Applies to both In-State and Out-of-State Students
- Same rate of increase for 4th consecutive year
- 2014 – 2015 National Average Tuition Change = 3%
- Impact on In-State Students (per semester):
 - Regional Universities – \$64
 - State Universities – \$59 to \$64
 - State Colleges – \$33 to \$37
- Impact on Out-of-State Students (per semester): \$126 to \$225

Tuition – Undergraduate

Appendix IA

Special Tuition Increases:

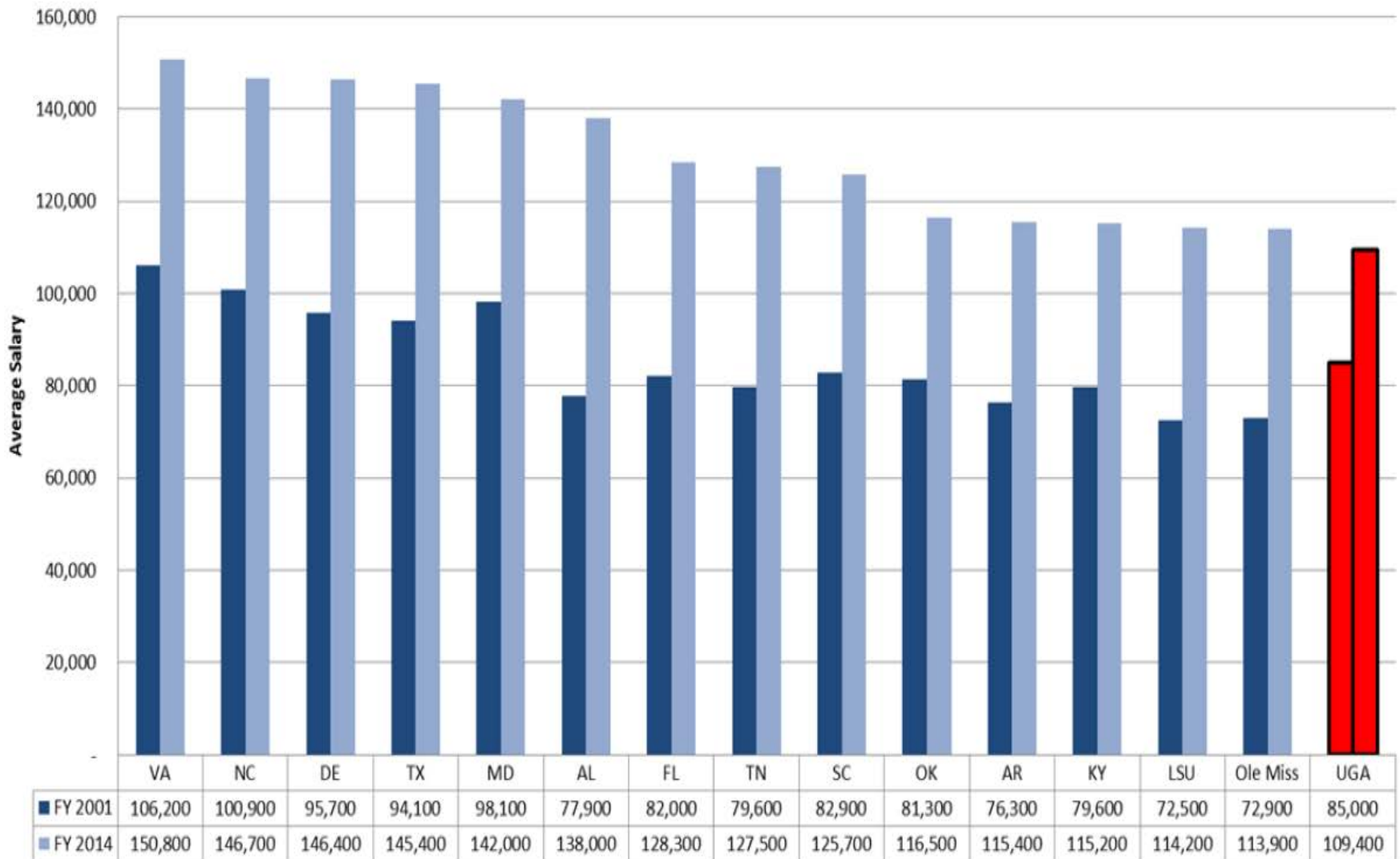
- Kennesaw State University (4.4%)
 - Reflects creation of blended rate (KSU and SPSU) plus normal increase
- Middle Georgia State University (9.0%)
 - Reflects six-year transition plan to State University Rate plus normal increase
- Georgia College and State University (3.0%)
 - Reflects demand and liberal arts mission
- University of North Georgia – Four Year Degree Programs (5.0%)
 - Reflects demand and operational needs
- Atlanta Metropolitan State College (9.0%)
 - Reflects year 1 of 2 year plan to move to Balanced Bachelor's/Associate Rate
- Georgia Gwinnett College (8.3%)
 - Reflects year 1 of 2 year plan to more closely align tuition rate with state universities.

Research Institution Tuition Considerations

- Georgia Tech, University of Georgia, Georgia State University and Georgia Regents University
- Resources:
 - Reduce/Maintain Adequate Class Size
 - Competition for Academic Talent - Nationally and Internationally
 - Recruitment, Retention and (Too Often) Replacement of Faculty
 - Loss of Grant Funding As Faculty Leave
 - Research and Operating Expenses (Maintenance and Technology)
- Georgia Tech and University of Georgia
 - U.S. News – Top 20 Public Institutions
 - Kiplinger – Top 20: Best Value
- Market Demand
- Peer Institutions and Out-of-State Pricing Sensitivity

Average Faculty Salary Comparison – FY 2001 vs. FY 2014

SREB Flagship Institutions – Professor Rank



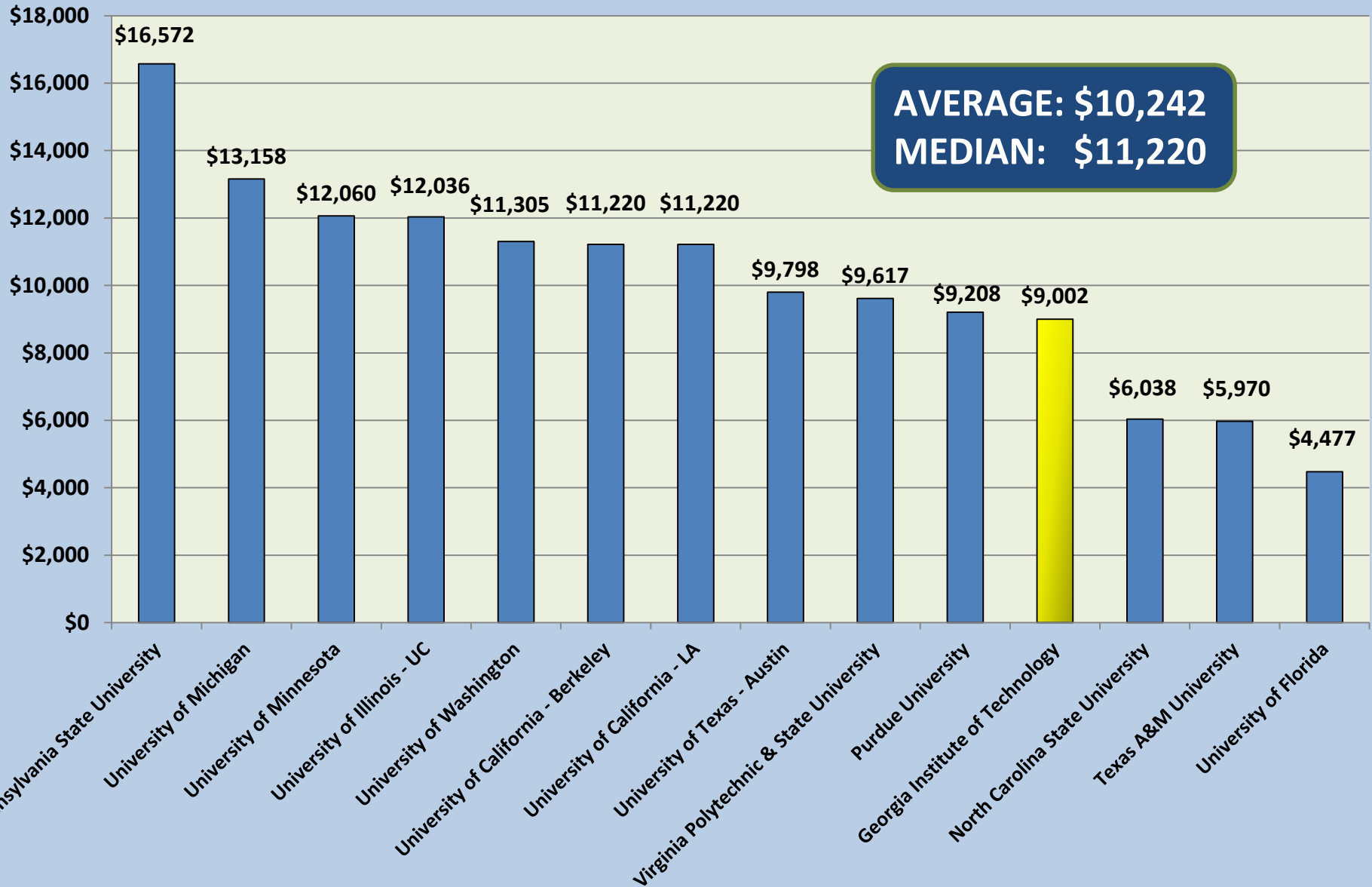
Source: Academe, Bulletin of the American Association of University Professors, The Annual Report on the Economic Status of the Profession

Undergraduate Demand at Research Institutions (Fall 2014)

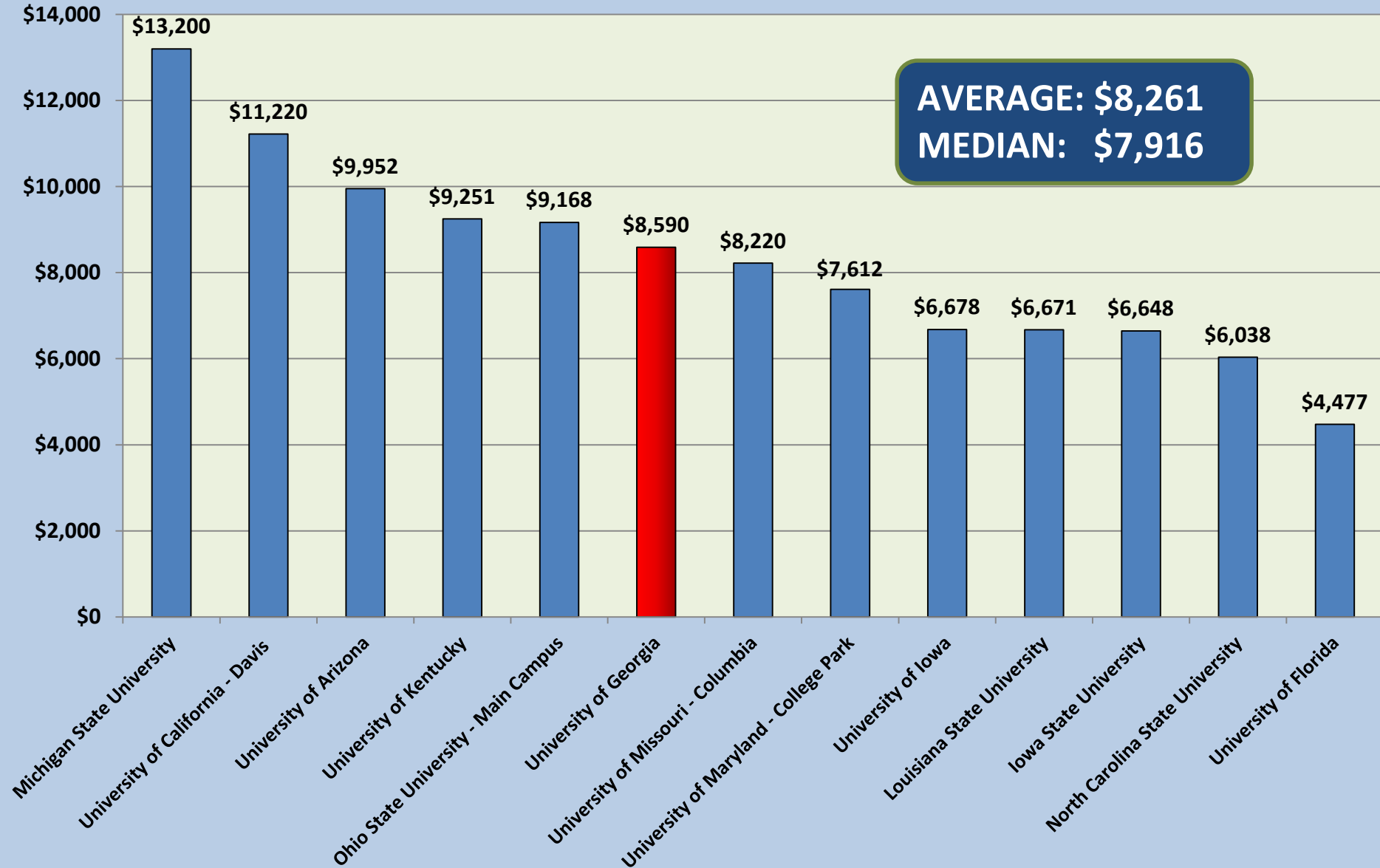
Institution	# of Freshman Applications	# of Entering Freshman	Ratio of Applicants to Entering Freshman
Georgia Institute of Technology	25,884	2,811	9.2 x
Georgia State University	12,542	3,344	3.8 x
University of Georgia	21,263	5,286	4.0 x
Georgia Regents University	2,042	745	2.7 x

Georgia Institute of Technology

Comparison of Peer In-State Annual Tuition (2014-2015)



University of Georgia Comparison of Peer In-State Annual Tuition (2014-2015)



Tuition – Undergraduate

Appendix IA

- Research Universities
 - Recognition of Resource Needs
 - Continuation of Differential Tuition Increases
 - Market-Driven and Comparability to Peer Institutions
 - High Demand – Top 20 Schools
- Out-of-State Rates were set in consultation with institutions, recognizing price sensitivity

Tuition – Undergraduate

Appendix IA

- Impact on In-State Students (per semester):
 - Georgia Tech - 9.0% (\$405)
 - University of Georgia - 9.0% (\$387)
 - Georgia State University – 5.5% (\$223)
 - Georgia Regents University – 5.5% (\$221)
- Impact on Out-of- State Students (per semester):
 - Georgia Tech – 6.0% (\$849)
 - University of Georgia – 2.9% (\$387)
 - Georgia State University - 1.7% (\$223)
 - Georgia Regents University - 1.7% (\$221)

Tuition – Graduate

Appendix IB

Institutions access the market and demand when requesting changes to graduate tuition rates.

- Graduate Programs: ~ 3% Increase to Base Tuition for 8 Institutions Offering Graduate Instruction, 9% at the University of West Georgia, 5% at the University of North Georgia and No Increase for 3 Institutions
- Established new rate for Middle Georgia State University
- Research Institutions – Increases range from 3% to 10%
 - Surveyed Research Institutions
 - Provided Flexibility Up to 10%
 - Peer Institutions and Market
- Professional Programs – Rates based on nationally competitive, professional programs

Agenda Item #2

Approval: Fiscal Year 2016 Tuition

Recommended: That the Board approve the tuition rates for FY 2016, to become effective Fall semester 2015. Recommended tuition rates appear in Appendix IA (Undergraduate Tuition) and Appendix IB (Graduate and Professional Programs).

Mandatory Student Fees - Appendix II

- **Mandatory Fee Criteria**
 - Prior Commitments - Multi-year Fee Plans
 - Increases to Sustain Existing PPVs
 - Other Increases With Strong Business Case
- **Staff Review**
 - Business Case/Financial Need
 - Student Approval and Involvement
 - Existence of Significant Fund Balance/Reserves
- **12 Institutions (excluding KSU) Submitted Mandatory Fee Requests**
 - 30 Fee Requests (*26 increases, 4 new*)
 - 22 Fee Changes Recommended (*19 increases, 3 new,*)
 - Of the 22 Increases: 3 PPV, 1 Multi-Year, 6 Athletics, 5 Parking/Transportation,
 - 4 Health, 3 Other
- Kennesaw State University – Consolidated rates for KSU and SPSU
- Middle Georgia State University – Increase SIF to State University \$250

Elective Fees Requiring Board Approval

(Page 8)

Board approval required for elective fees and special charges required to be paid by all full-time, undergraduate students or all undergraduate students in a specific degree program, except specific course fees for supplementary costs.

Recommend approval for mandatory commuter dining fees at:

- Kennesaw State University
- College of Coastal Georgia
- Georgia Gwinnett College

Housing and Food Service Fees Requiring Board Approval (Page 9)

Board Policy 7.3.2.2 requires Board approval for housing fees and food service fees that support debt service.

- Institutions listed on page 9 charge housing and/or food services fees that support one or more public private venture.
- The recommended increases average ~3% and from 0% to 8%
- Rates vary by room type and meal plan.

The actual plans and rates will be published on the USG website.

Agenda Item #3

Approval: Fiscal Year 2016 Mandatory Fees and Elective Fees Requiring Board Approval

Recommended: That the Board approve the proposed mandatory student fees for FY 2016 for institutions of the University System of Georgia, to become effective fall semester 2015. Recommended mandatory student fees appear in Appendix II.

Recommended: That the Board approve the elective fee requests for Kennesaw State University, College of Coastal Georgia and Georgia Gwinnett College as outlined on page 8. These elective fee requests require Board approval based on Board policy 7.3.2.2.

Recommended: That the Board approve the housing and food service fee increases that support debt service as outlined on page 9. Board Policy 7.3.2.2 requires Board approval for housing fees and food service fees that support debt service.

Allocations

Appendix III (A–C)

- Chancellor – Budget Hearings with All Institutions
- \$7.6M provided in new funding for enrollment
- Allocations address 16 institutions with enrollment increases and 14 institutions with enrollment declines
- **No Blanket Allocation Strategy/Method:**
 - Enrollment gains honored to fullest extent possible
 - Enrollment declines implemented after assessing impact on institutions on a case-by-case basis
- Merit Funds Allocated in Proportion to Salary
- M&O Allocated Based on Square Footage
- Fringe Benefits (Health and Retirement) Follow Personnel
- Capital based on legislative intent (Appendix IV)

Agenda Item #4

Approval: Fiscal Year 2016 Budget Allocations

Recommended: That the Board approve the allocation of state appropriations for FY 2016 among institutions and operating units of the University System of Georgia as outlined in Appendix III (B – C). **All allocations are pending signature of HB 76 by the Governor.**

Recommended: That the Board approve the FY 2016 Capital Budget totaling \$334,190,000 as outlined in Appendix IV.

Salary and Wage Administration

- Salary Increase Appropriation - \$11.3 Million in State Funds (~.55%)
- Allocation to All Institutions
- Institutions May Augment State Funds Using Other Appropriate Fund Sources
- Salary Increases Awarded Based on Merit:
 - Recruitment and Retention
 - Market and Compression Issues
 - Promotions and Reclassifications
- No Across the Board Increases
- All Increases Must Be Well Documented
- Salary Increases >10% - Prior Approval from Chancellor

Agenda Item #5

Approval: Fiscal Year 2016 Salary and Wage Policy

Recommended: That the Board approve the fiscal year 2016 salary and wage administration policy for the University System of Georgia.