

Board of Regents of the University System of Georgia



Board Meeting
April 16, 2013

FY 2013 Amended – HB 105

Fiscal Year 2013 State Appropriations

\$ 1.829 Billion

(Teaching (~4.5%) and Other Activities (3%))

(\$78.9M)

Other Adjustments

(\$ 2.2M)

Total Change

(\$ 81.1M)

Fiscal Year 2013 Amended

\$ 1.747 Billion

NOTE: The FY13 amended budget repealed \$2,300,000 in equipment bond funds for the Education Classroom Building at Kennesaw State University.

Amended FY 2013 Allocation of Reductions

Appendix I

- Reduction to Teaching Programs - \$73.4M (average reduction of 4.5%)
- Allocation differentiates reductions between some institutions to address enrollment issues and other challenges faced within System.
- Reductions to Other Organized Activities (*B units*) are applied as stated in HB 105 (3% or less)
- \$2.7M reduction in funding for property insurance premiums. DOAS will decrease billings resulting in no impact on institutions.



Agenda Item #2

Approval: Fiscal Year 2013 Amended Budget

Recommended: *That the Board approve the allocation of state appropriations for the FY 2013 amended budget.*

FY 2014 Formula

	<u>Request</u>	<u>HB 106</u>
Enrollment Growth	\$ 65,560,129	\$ 62,976,757
Maintenance and Operations	8,751,798	0
Health Insurance	10,137,873	10,137,873
TRS - ERS Retirement	-	11,767,296
Retiree Health and Life Benefits	5,708,131	5,708,131
Payback Projects Retired	5,902,531	5,902,531
Carl Vinson Institute Training Contract	-	90,000
Southern Legislative Conference	(25,000)	(25,000)
Remove Funds - GSU Eminent Scholar	-	(500,000)
Reduce DOAS Property Ins. Premiums	-	(2,723,724)
Reductions (Formula @ 3%)	<u>(48,949,974)</u>	<u>(48,949,974)</u>
Formula – Net Increase	\$ 47,085,488	\$ 44,383,890

Other Organized Activities

	<u>Request</u>	<u>HB 106</u>
<u>Other Items:</u>		
Unit B - Health Insurance/Life	\$ 748,088	\$ 759,395
Unit B - TRS-ERS Retirement	15,378	780,743
Formula for Georgia Public Libraries	138,000	138,000
Graduate Medical Education	2,075,000	2,075,000
Cancer Research		5,000,000
Transfer of Archives (+\$300K)		4,151,428
Other Adjustments/Transfers	(50,000)	2,079,277
Decrease in DOAS Property Ins. Premiums		(37,267)
3% Reduction – Other Organized Activities	<u>(5,449,146)</u>	<u>(4,771,458)</u>
Other Organized Activities - Increase	\$ (2,522,680)	\$ 10,175,118

FY 2014 Funding Change - HB 106

Fiscal Year 2013 State Appropriations

\$ 1.829 Billion

Formula

\$ 93.3M

Other Items

14.9M

3% Reduction

(53.6M)

Total Net Change

\$ 54.6M

3.0%

Fiscal Year 2014 Appropriations

\$ 1.883 Billion

Georgia Gwinnett College

Start-Up Funding Phase Out Plan

- Gwinnett Start-Up Funding = \$16.5 Million
- Governor's Budget Recommendations:
 - \$2.7 million reduction in FY 2013 amended
 - \$5.0 million reduction in FY 2014
- HB 106 - No reduction in either FY 2013 or FY 2014
- General Assembly recognized \$6.7 of \$16.5 million in start-up should be retained for lost FY 2012 growth
- Seven-year plan to phase-out remaining \$9.8 million OR approximately \$1.4 million per year
- Plan to begin in FY 2015

FY 2014 Capital Budget Summary

Final Appropriation – HB 106

	<u>Request</u>	<u>HB 106</u>
Major Repair and Renovation	\$ 50,000,000	\$ 49,120,000
Equipment	24,900,000	24,900,000
Construction	151,600,000	133,600,000
Small Capital Projects	33,300,000	25,000,000
Military Outreach Projects	14,750,000	14,750,000
Georgia Public Libraries	<u>19,835,000</u>	8,495,000
Georgia Research Alliance		12,500,000
Georgia Public Telecom Comm.		3,760,000
Legislative Additions		<u>42,925,000</u>
Total - Capital Outlay	\$294,385,000	\$315,050,000

FY 2014 Equipment

		<u>Request</u>	<u>HB 106</u>
Dalton	Academic Sciences Building	\$ 2,100,000	\$ 2,100,000
GA College	Historic Ennis Hall Renovation	1,000,000	1,000,000
GA Gwinnett	Allied Health Building	3,000,000	3,000,000
GA Regents	Medical Commons	5,000,000	5,000,000
GA Tech	Engineered Biosystems Bldg.	5,000,000	5,000,000
UGA	Vet Med Teaching Hospital	5,000,000	5,000,000
Valdosta	Health Sciences Building	<u>3,800,000</u>	<u>3,800,000</u>
	Subtotal – Equipment	\$ 24,900,000	\$ 24,900,000

FY 2014 Construction

		<u>Request</u>	<u>HB 106</u>
GA State	Humanities/Law Building	\$ 58,800,000	\$ 58,800,000
Clayton State	Science Building	19,800,000	19,800,000
GA Perimeter	Academic Building	18,000,000	0
GA Southern	Health Center	10,000,000	10,000,000
GA Regents	Cancer Research Building	<u>45,000,000</u>	<u>45,000,000</u>
	Subtotal – Construction	\$ 151,600,000	\$ 133,600,000

FY 2014 Requested Small Capital Projects

		<u>Request</u>	<u>HB 106</u>
ABAC	Lab Sciences Building	\$ 4,300,000	\$ 4,300,000
North GA	Renovate 3 Labs (Gainesville)	1,000,000	1,000,000
Columbus	Howard Hall Renovation	3,900,000	3,900,000
Savannah	Herty Hall Renovation	3,300,000	0
South GA	Davis Hall Renovation	2,500,000	0
Middle GA	Haynes Hall Renovation (Cochran)	3,800,000	3,800,000
Bainbridge	Classroom/Lab Building	3,000,000	3,000,000
Coastal	Academic Commons Renovation	2,000,000	2,000,000
Skidaway	Renovate Building 502B into Labs	2,500,000	0
UGA	Fine Arts Building Renovation	2,600,000	2,600,000
Kennesaw	Sturgis Library Renovation	<u>4,400,000</u>	<u>4,400,000</u>
	Subtotal – Small Capital	\$ 33,300,000	\$ 25,000,000

FY 2014 Legislative Additions

		<u>Request</u>	<u>HB 106</u>
Dalton	Renovate Tech Ed Building	\$ -	\$ 4,600,000
SPSU	Academic Building D Renovation	-	2,500,000
Atlanta Met	Science Lecture Building Renovation	-	3,800,000
UGA	4H Rock Eagle Cabins	-	7,500,000
GA Tech	Lloyd W. Chapin Renovation	-	1,875,000
West GA	Murphy Building Renovation	-	3,500,000
GA SW	Fine Arts Center Renovation	-	1,950,000
Valdosta	Martin Hall Renovation for STEM	-	2,500,000
GA Gwinnett	Building D – Warehouse Renovation	-	4,000,000
UGA	Tift Building Renovation	-	4,700,000
UGA	Coop Ext & Ag Experiment - MRR	-	4,000,000
UGA	Coop Ext & Ag Experiment - Equip	-	1,000,000
Coastal GA	Camden County Campus Equipment	-	<u>1,000,000</u>
	Subtotal – Legislative Adds	\$ -	\$ 42,925,000

FY 2014 Military Outreach Projects

(Construction for Joint Use with TCSG)

		<u>Request</u>	<u>HB 106</u>
Armstrong	Hinesville Academic Center	\$ 4,750,000	\$ 4,750,000
Middle GA	Warner Robins Academic Center	<u>10,000,000</u>	<u>10,000,000</u>
	Subtotal	\$ 14,750,000	\$ 14,750,000

FY 2014 Georgia Public Library System

	<u>Request</u>	<u>HB 106</u>
Houston County Public Library (Perry)	\$ 1,600,000	\$ 1,600,000
Mountain Regional Library (Young Harris, Towns Co.)	900,000	0
Dougherty County Public Library (Central Library, Albany)	2,000,000	0
South Georgia Regional Library (Valdosta, Lowndes Co.)	2,000,000	0
Three Rivers Regional Library (Folkston, Charlton Co.)	560,000	0
Dougherty County Public Library (Northwest Branch, Albany)	2,000,000	0
Gwinnett County Public Library (Norcross)	1,875,000	0
Cobb County Public Library (East Marietta)	2,000,000	0
Atlanta-Fulton County Library (Milton, Fulton Co.)	2,000,000	0
Atlanta-Fulton County Library (Wolf Creek, Fulton Co.)	2,000,000	0
Mountain Regional Library (Hiawassee, Towns Co.)	900,000	900,000
Live Oak Public Library (Hinesville, Liberty Co.)	<u>2,000,000</u>	0
Jefferson Branch/Regional Office (Jackson Co.)		2,000,000
Georgia Public Libraries - MRR		<u>3,995,000</u>
Subtotal – Public Libraries	\$19,835,000	\$ 8,495,000

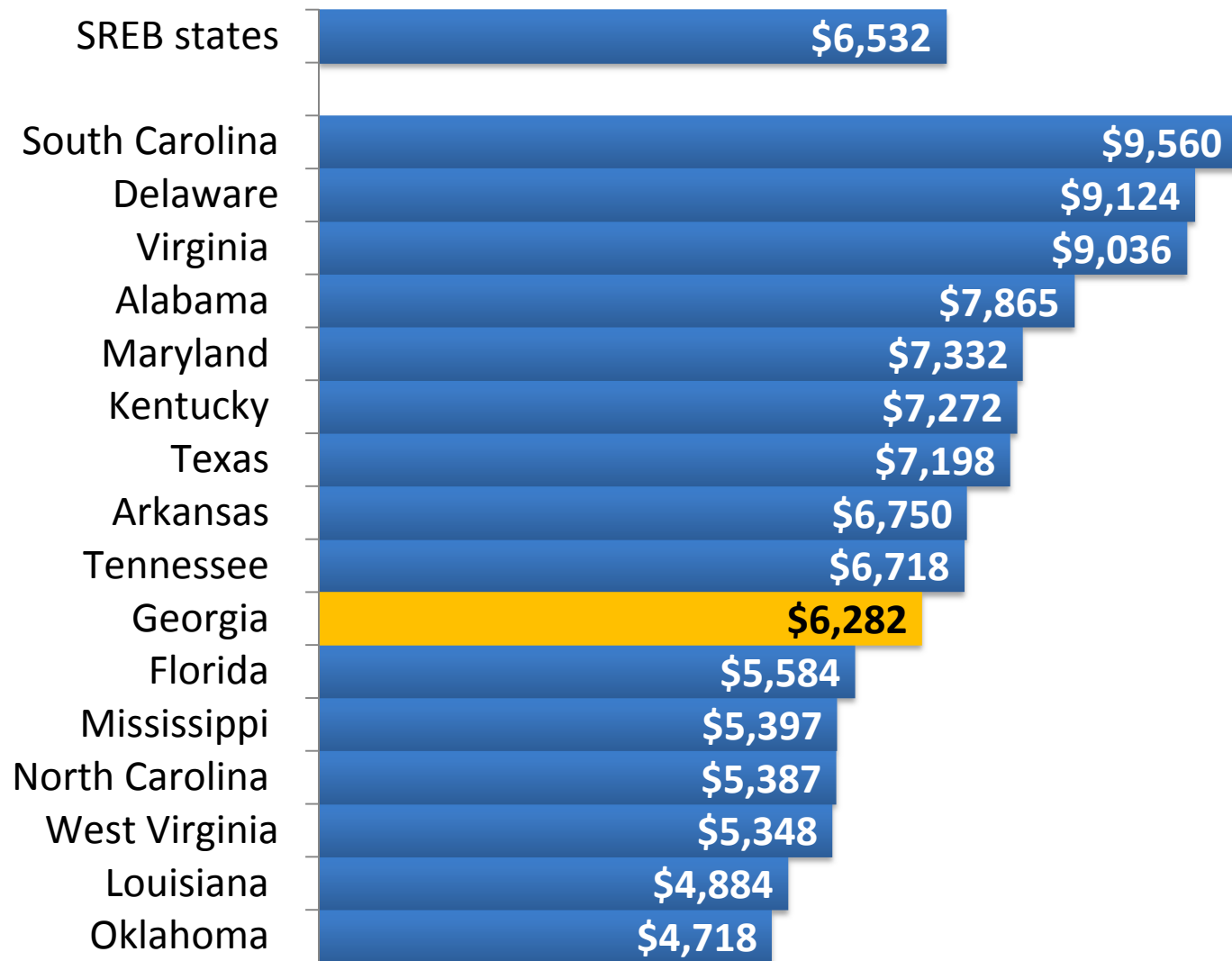


FY 2014 Tuition, Fees and Allocations

Tuition and Considerations

- Affordability: Primary Concern
- Maintain State Fund – Tuition Balance/Partnership
- State Fund Drivers (~50% of Total Cost)
 - Enrollment Growth – Faculty/Operating
 - Increase in Healthcare (Active and Retired)
 - Other Additions
- Tuition Drivers (~50% of Total Cost)
 - Enrollment Growth – Faculty/Operating
 - Increase in Healthcare (Active and Retired)
- Keep Pace with Inflation (~2.2%)
- Peer Institutions and Out-of-State Pricing Sensitivity (National Competition Among Research Institutions)

Public Four-Year Colleges and Universities
Annual Tuition and Required Fees for In-State Undergraduates, 2011-2012



Public Two-Year Colleges and Universities
Annual Tuition and Required Fees for In-State Undergraduates, 2011-2012

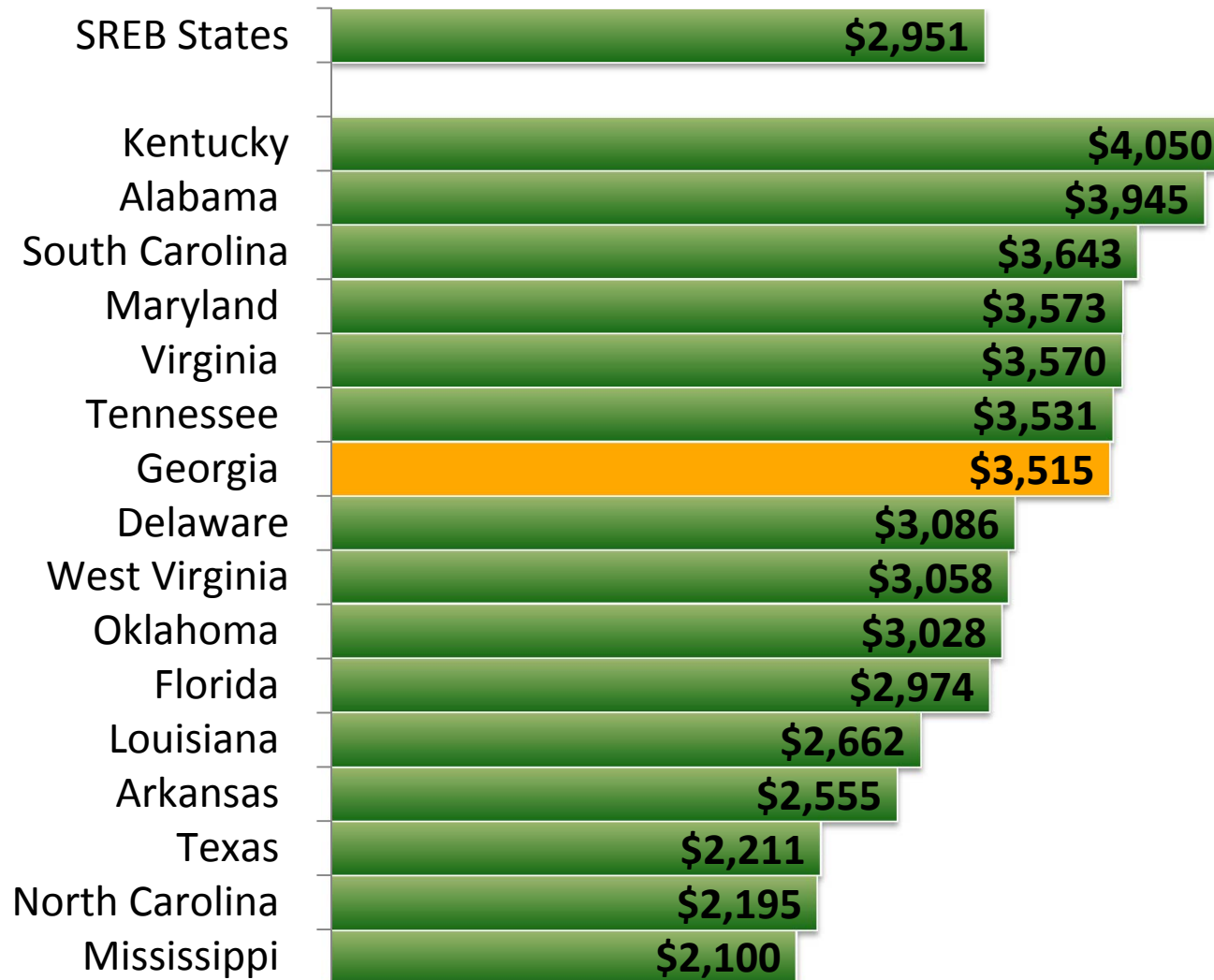
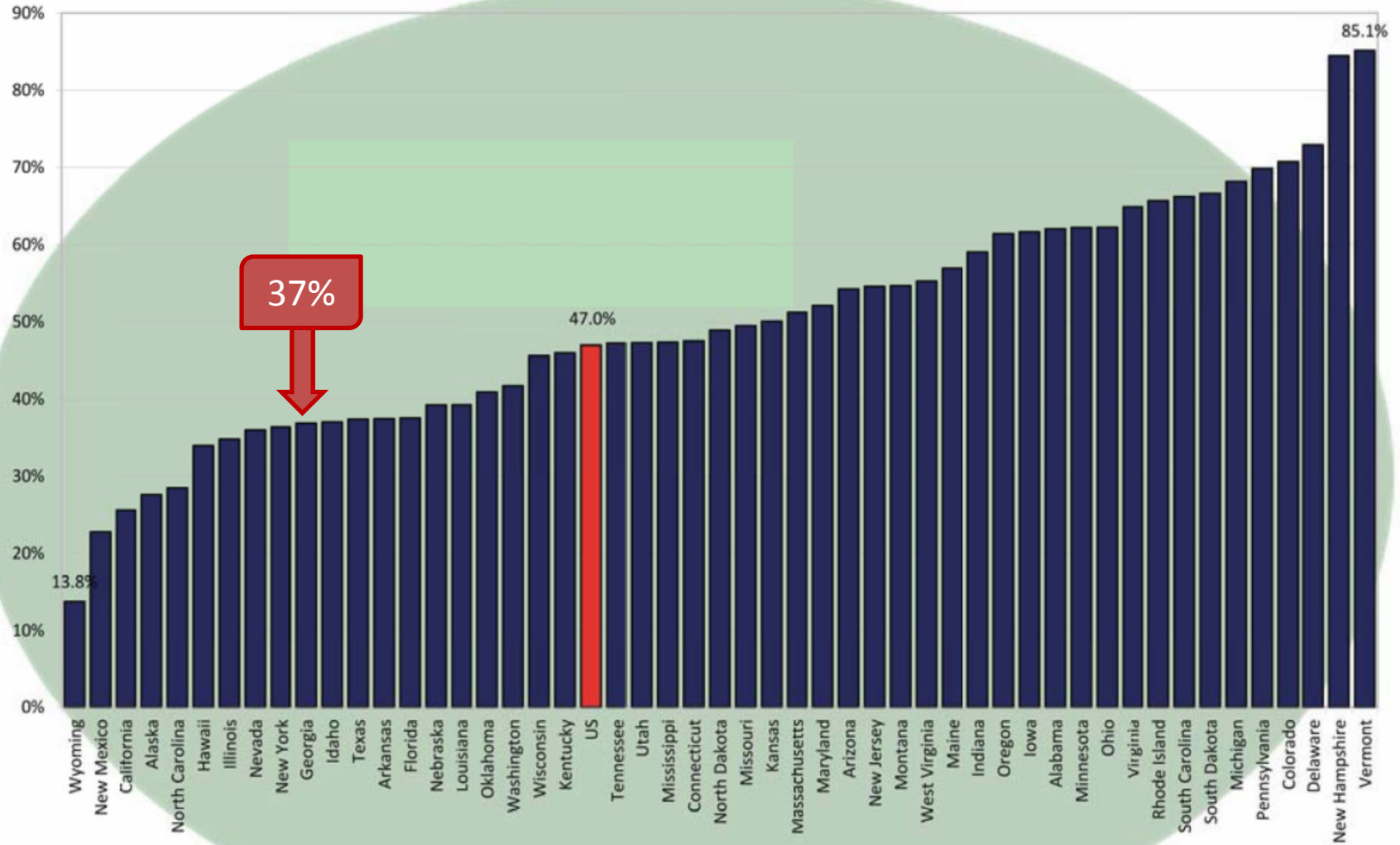


Figure 7

Net Tuition as a Percent of Public Higher Education Total Educational Revenue
by State, Fiscal 2012



Note: Dollars adjusted by 2012 HECA, Cost of Living Adjustment, and Enrollment Mix.

Source: State Higher Education Executive Officers

Tuition – Undergraduate

Appendix IIA

- Recommend a 2.5% Increase for 27 Institutions
- Applies to both In-State and Out-of-State Students
- Same rate of increase as FY 2013 (Fall 2012)
- Impact on In-State Students (per semester):
 - Regional Universities – \$61
 - State Universities – \$56 to \$83
 - State Colleges – \$32 to \$42
- Impact on Out-of-State Students (per semester): \$120 to \$301

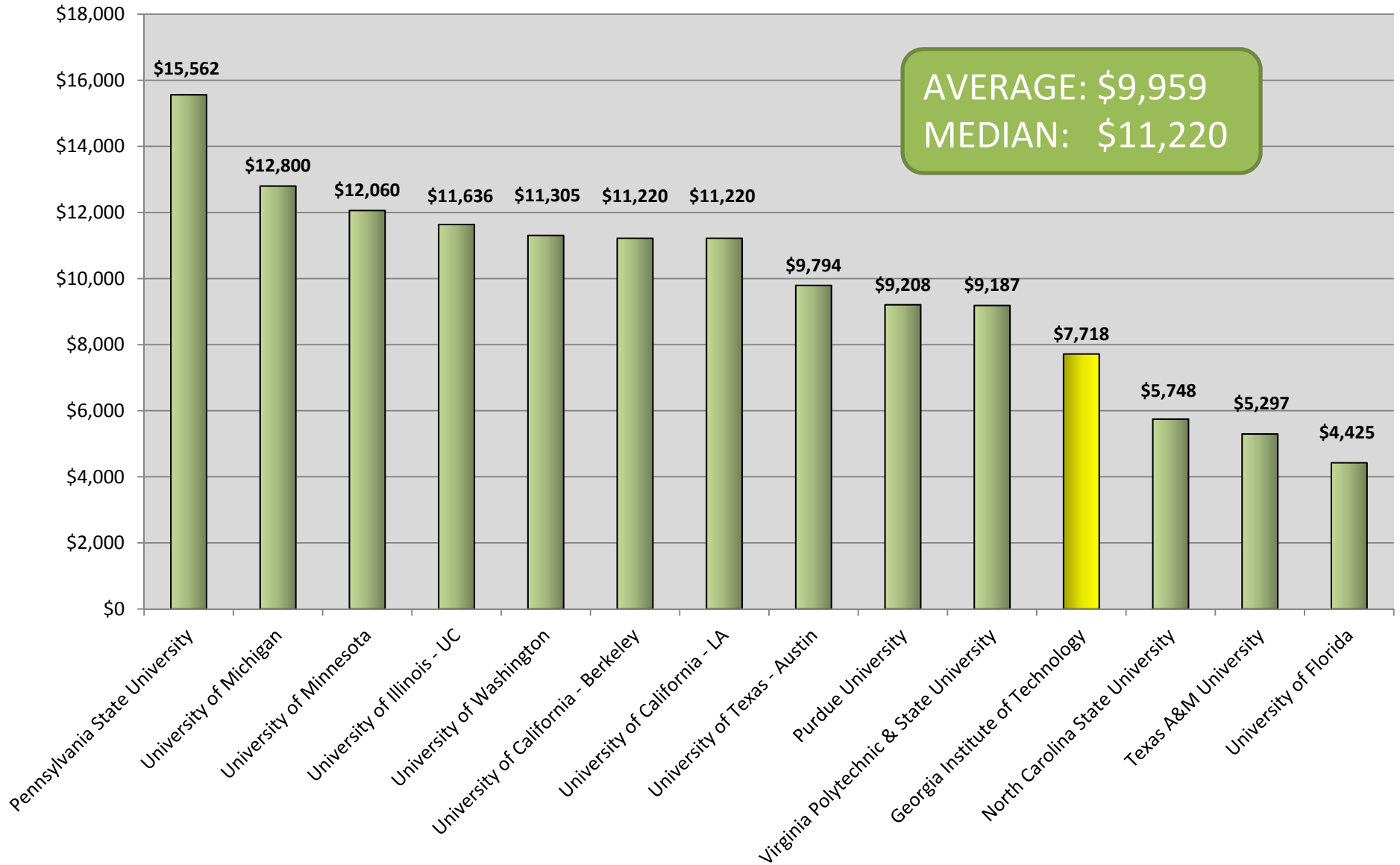
Tuition – Undergraduate

Appendix IIA

- Research Universities
 - 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

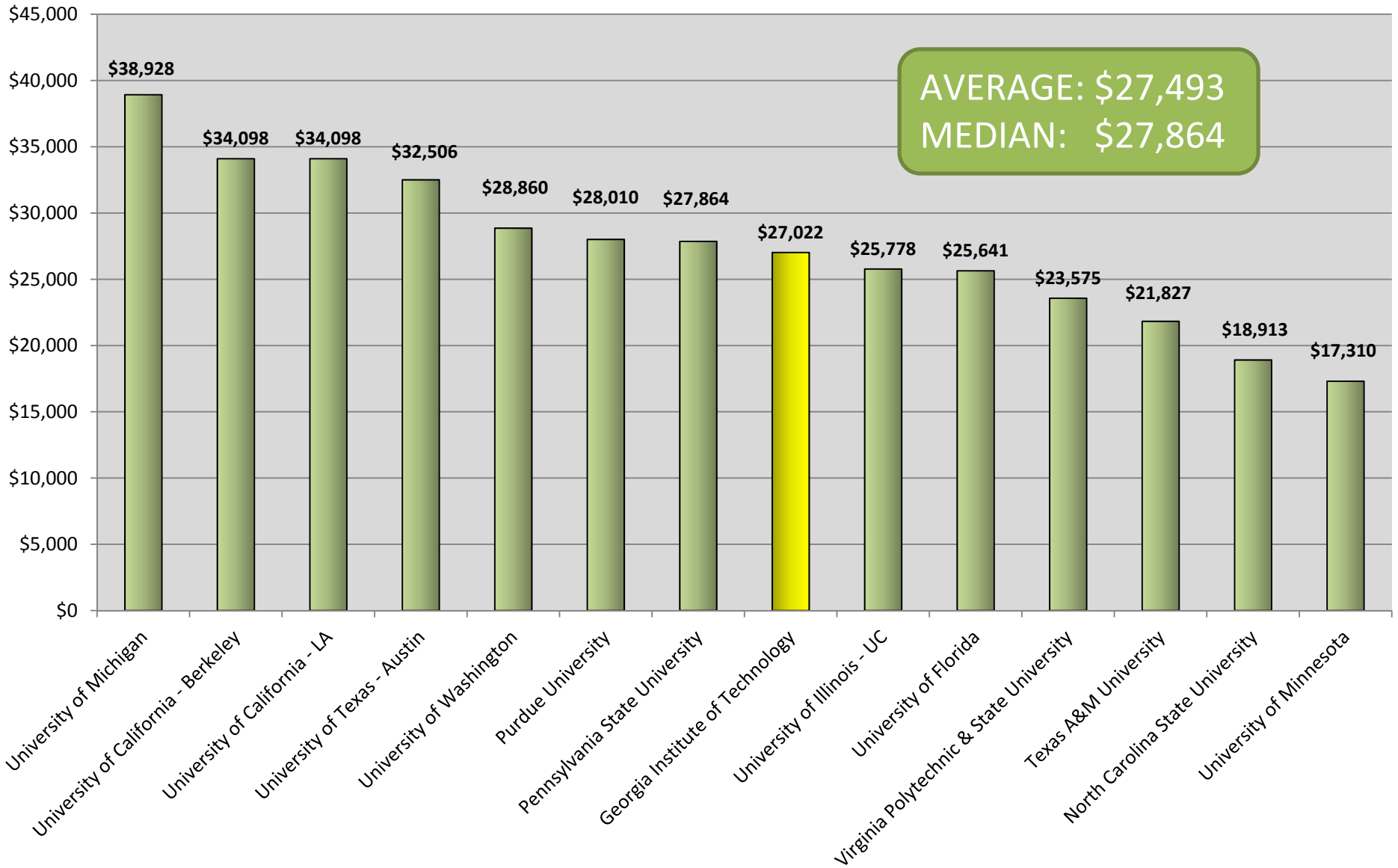
Georgia Institute of Technology

Comparison of Peer In-State Annual Tuition (2012-2013)

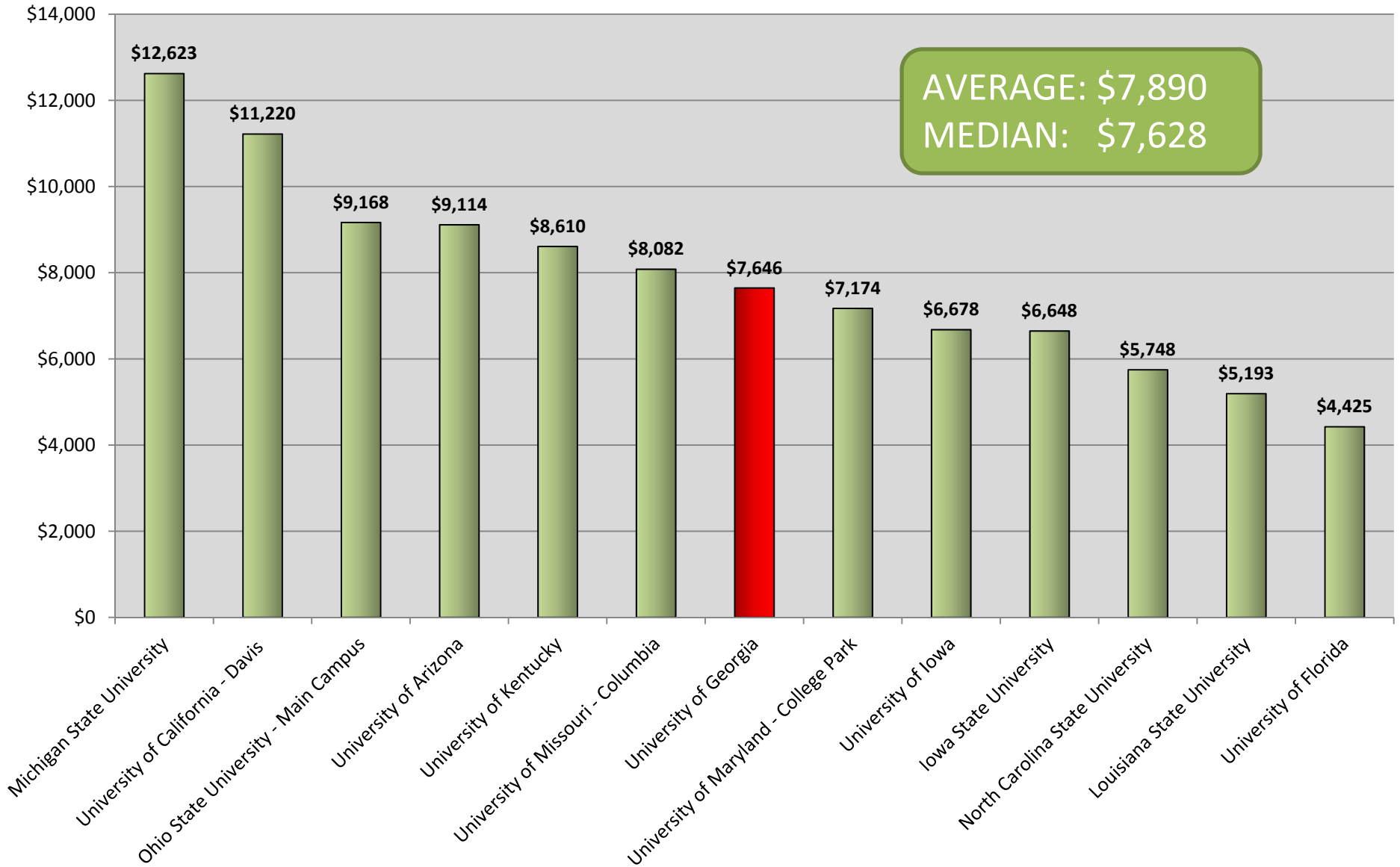


Georgia Institute of Technology

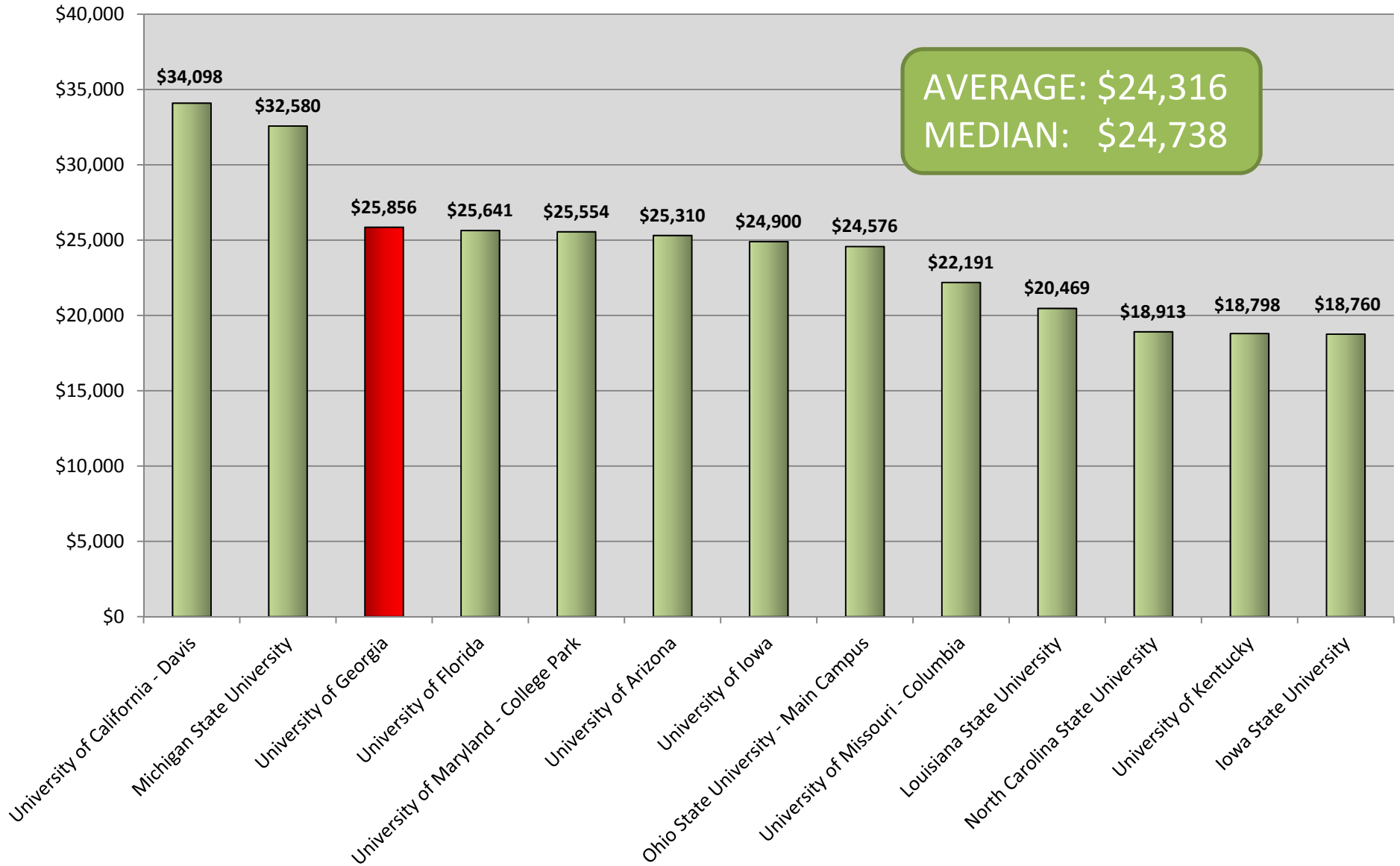
Comparison of Peer Out-of-State Annual Tuition (2012-2013)



University of Georgia Comparison of Peer In-State Annual Tuition (2012-2013)

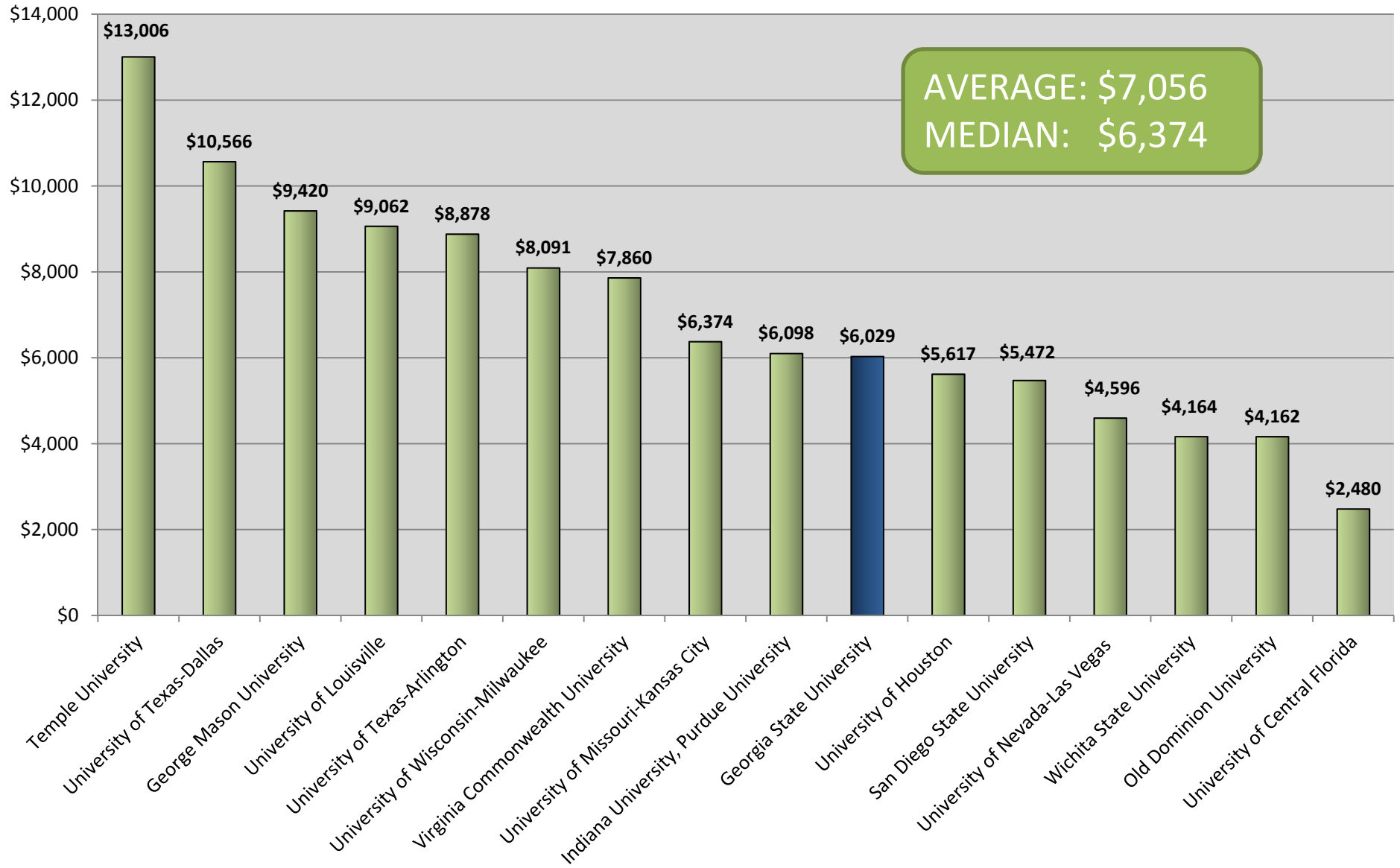


University of Georgia Comparison of Peer Out-of-State Annual Tuition (2012-2013)



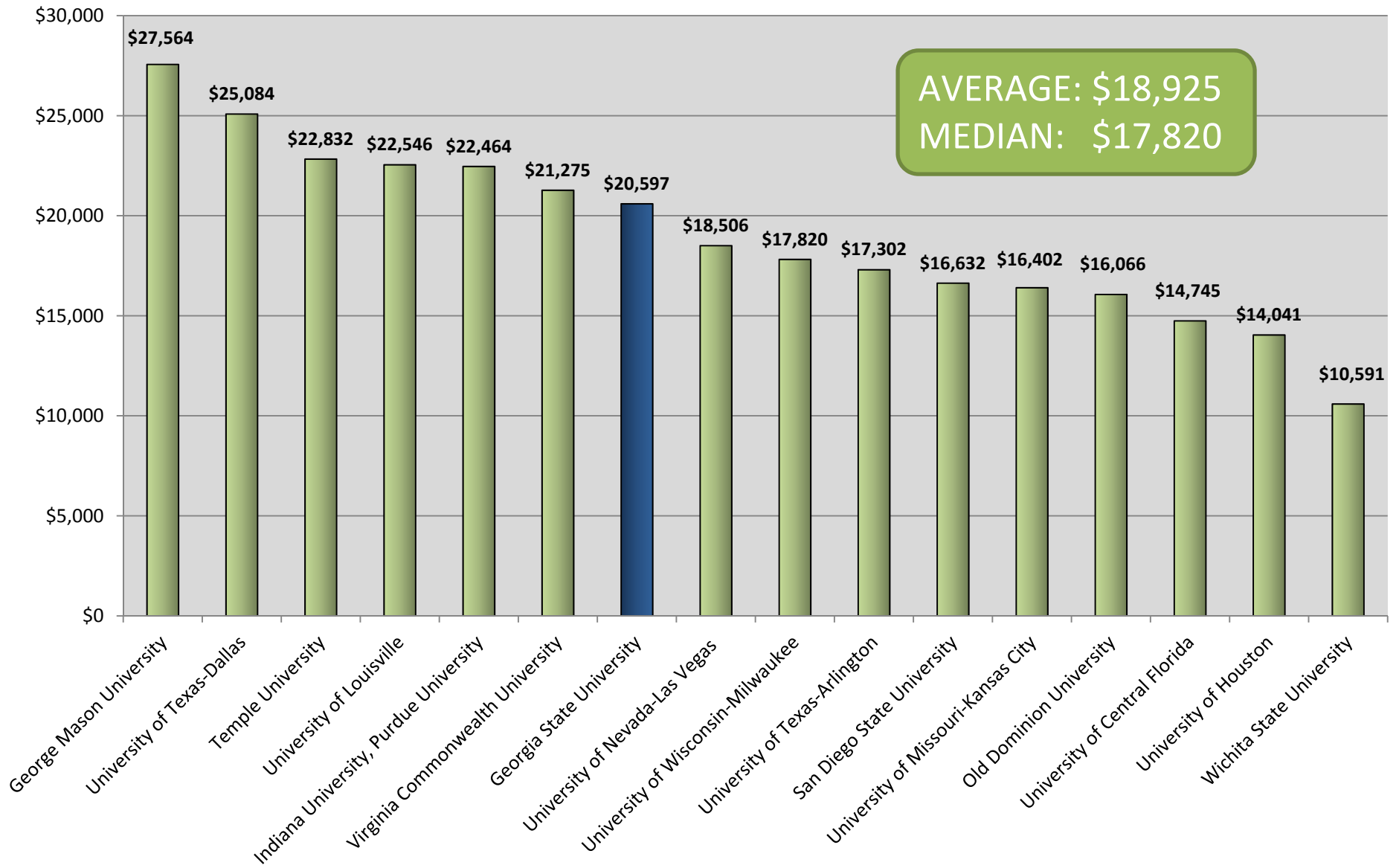
Georgia State University

Comparison of Peer In-State Annual Tuition (2012-2013)



Georgia State University

Comparison of Peer Out-of-State Annual Tuition (2012-2013)



Tuition – Undergraduate

Appendix IIA

- Impact on In-State Students (per semester):
 - Georgia Tech - 7.0% (\$270)
 - University of Georgia - 5.0% (\$191)
 - Georgia State - 3.5% (\$132)
 - Georgia Regents University - 3.5% (\$131)
- Impact on Out-of- State Students (per semester):
 - Georgia Tech - 2.0% (\$270)
 - University of Georgia - 1.5% (\$191)
 - Georgia State - 1.0% (\$132)
 - Georgia Regents University - 1.0% (\$131)

Consolidated Institutions

Appendix IIA

- Middle Georgia State College
- South Georgia State College
- University of North Georgia
 - Gainesville, Oconee and Cumming Campus (Access)
 - Dahlonega Campus
- Georgia Regents University
 - Phase-In a Seven-Year Tuition Plan
 - Protect Current Students
 - Reach Full R1 Tuition in Seven Years
 - Finish-in-Four Model (Policy Revision Required)

In-State Tuition Rates for FT Students: FY 2004 – FY 2013

Fiscal Year	Percent Increases	Research Universities	State Universities & Colleges	Two-Year Colleges
2004	15%, 10%, 5%	\$1,604	\$1,106	\$ 699
2005	5%, 5%, 5%	\$1,684	\$1,161	\$ 734
2006	8%, 5%, 5%	\$1,819	\$1,219	\$ 771
2007 (Entering Rate FFF)	7%, 5%, 4%	\$1,946	\$1,280	\$ 802
2008 (Entering Rate FFF)	15.5%, 12%, 9%	\$2,248	\$1,434	\$ 875
2009 (Entering Rate FFF)	8%, 8%, 5%	\$2,428	\$1,549	\$ 919
2010	0% 1-12 hours (except UGA & Tech); raised ceiling from 12 to 15 hours; new flat tuition model at UGA & Tech	\$3,035	\$1,937	\$1,149
2011	16.5%, 10.3%, 4.4%	\$3,535	\$2,137	\$1,199
2012	3%	\$3,641	\$2,201	\$1,235
2013	2.5%, 6% for GTECH, 5% for UGA and 3.5% GSU. <i>Research rate pegged at GSU.</i>	\$3,641	\$2,256	\$1,266

Tuition – Graduate

Appendix IIB

- Graduate Programs – Approximately 3% Increase to Base Program for 13 Institutions Offering Graduate Instruction.
- Research Institutions – Increases range from 3% to 7%
 - Surveyed Research Institutions
 - Provided Flexibility Up to 7%
 - Peer Institutions and Market
- Professional Programs – Rates based on nationally competitive, professional programs



Agenda Item #3

Approval: Fiscal Year 2014 Tuition

Recommended: *That the Board approve the tuition rates for FY 2014, to become effective fall semester 2013. Recommended tuition rates appear in Appendix IIA (Undergraduate Tuition) and Appendix IIB (Graduate and Professional Programs).*



Agenda Item #4

Approval: “Finish-in-four” tuition model for Georgia Regents University and Revision to Board Policy 7.3.1.1

Recommended: *That the Board approve a “finish-in-four” tuition model for GRU that provides for a flat tuition based on fifteen (15) hours a semester for all undergraduate students taking ten (10) hours or more. Students enrolled at GRU taking less than ten (10) hours will continue to be charged tuition on a per-credit-hour basis.*

Further Recommended: *That the Board approve the revision to the Board Policy 7.3.1.1 relating to the “finish-in-four” tuition model.*

Mandatory Student Fees

Appendix III

- Instructions provided October 2012
 - New Fees Strongly Discouraged
 - Must Make Strong Business Case for New Fees or Increase to Existing Fees
- 16 Institutions Submitted Mandatory Fee Requests
 - 32 Fee Requests
 - 25 Fee Changes Recommended (Full or Partial)
- Staff Carefully Reviewed
 - Students Approval and Involvement
 - Existence of Significant Fund Balance/Reserves
 - Close Review of Athletic Fee Requests (Existing/New)

Elective Fees Requiring Board Approval (page 12)

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.

Recommending approval for dining fees at:

- Fort Valley State University
- Kennesaw State University
- College of Coastal Georgia



Agenda Item #5

Approval: Fiscal Year 2014 Mandatory Student Fees

Recommended: *That the Board approve the proposed mandatory student fees for FY 2014 for institutions of the University System of Georgia, to become effective fall semester 2013. Recommended mandatory student fees appear in Appendix III.*

Recommended: *That the Board approve the elective fee requests for Fort Valley State University, Kennesaw State University, and College of Coastal Georgia as outlined on page 12. These elective fee requests require Board approval based on Board policy 7.3.2.2.*



Agenda Item #6

Approval: Repurpose UGA Student Facility Fee

Recommended: *That the Board approve the repurposing of \$50 of the Student Center Facility Fee, effective Summer Semester 2013, to fund the renovation and expansion of the Tate Center and to support the continued operations of the Ramsey Center.*

Allocations

Appendix IV (A–C)

- Chancellor – Budget Hearings with All Institutions
- Institutional Priorities from Presidents
- Requests Total \$125 Million vs. Enrollment Funds <\$63 Million
- Formula Allocation Considerations:
 - Enrollment: Three Years of Enrollment (FY 2012 through FY 2014)
 - Restoration of some Prior Reductions
 - Differences within Sector (Equalization)
- Ultimately, funds were allocated to address institutional priorities
- No M&O Funds Budgeted in FY 2014 (OPB To Address FY 2015)
- Fringe Benefits (Health and Retirement) Follow Personnel
- Capital based on legislative intent (Appendix V)



Agenda Item #7

Approval: Fiscal Year 2014 Budget Allocations

Recommended: *That the Board approve the allocation of state appropriations for FY 2014 among institutions and operating units of the University System of Georgia as outlined in Appendix IV (B – C). All allocations are pending signature of HB 106 by the Governor.*

Recommended: *That the Board approve the FY 2014 Capital Budget totaling \$315,050,000 as outlined in Appendix V.*

Board of Regents of the University System of Georgia



Board Meeting
April 16, 2013