

Board of Regents University System of Georgia



Budget Request, Reduction and Rates

State's Outlook for FY 2012

Loss of stimulus funds for State:	\$1.0B
GEFA monetizing fund:	\$0.3B
<u>Growth : K12, USG, TCSG, Corrections, SHBP, Medicaid:</u>	<u>\$1.0B</u>
Additional funds needed for FY 2012:	\$2.3B

Potential Sources of State Revenue

Revenue Growth

Round 2 Stabilization funds for Education

Tax Panel Recommendations for FY 12

Outline – Operating Budget

- Funding Formula
- Budget Request
- Reduction Plans



REGENTS, UNIVERSITY SYSTEM OF GEORGIA

Funding for Instruction

A. ACADEMIC POSITIONS REQUIRED

Program	Semester Credit Hours			+	Instructional Productivity			=	Academic Positions			Total
	Lower	Upper	Graduate		Lower	Upper	Graduate		Lower	Upper	Graduate	
Group 1	1,647,773	382,203	117,348		884	624	265		1,864	613	443	2,920
Group 2	1,194,252	878,867	412,395		794	693	429		1,504	1,268	961	3,733
Group 3	1,438,350	605,713	377,071		627	512	227		2,294	1,183	1,661	5,138
Group 4	330,411				1,888				175	0	0	175
Group 5			135,861				253		0	0	537	537
TOTALS	4,610,785	1,866,783	1,042,675						5,837	3,064	3,602	12,503
	Total Credit Hours				7,520,243							

B. ACADEMIC SALARIES

Program	Academic Positions			X	Average Salary Rate	=	Academic Position Salary Amount			Total
	Lower	Upper	Graduate				Lower	Upper	Graduate	
Group 1	1,864	613	443		62,392		116,298,688	38,246,296	27,639,656	182,184,640
Group 2	1,504	1,268	961		67,650		101,745,600	85,780,200	65,011,650	252,537,450
Group 3	2,294	1,183	1,661		75,579		173,378,226	89,409,957	125,536,719	388,324,902
Group 4	175	0	0		49,040		8,582,000	0	0	8,582,000
Group 5	0	0	537		152,439		0	0	81,859,743	81,859,743
TOTALS	5,837	3,064	3,602				400,004,514	213,436,453	300,047,768	913,488,735
	12,503									

C. INSTRUCTIONAL SUPPORT POSITIONS AND SALARIES

Program	Academic Positions			+	Position Ratio	X	Salary Rate	=	Instructional Support Salary Amount			Total
	Lower	Upper	Graduate						Lower	Upper	Graduate	
Group 1	1,864	613	443		3.3		37,295		21,066,024	6,927,829	5,006,571	33,000,424
Group 2	1,504	1,268	961		3.3		37,295		16,997,479	14,330,321	10,860,756	42,188,556
Group 3	2,294	1,183	1,661		2.4		37,295		35,647,804	18,383,327	25,811,248	79,842,379
Group 4	175	0	0		2.4		37,295		2,719,427	0	0	2,719,427
Group 5	0	0	537		1.5		37,295		0	0	13,351,610	13,351,610
TOTALS	5,837	3,064	3,602						76,430,734	39,641,477	55,030,185	171,102,396

D. INSTRUCTIONAL OPERATING EXPENSE

Program	Semester Credit Hours			X	Expense Per Hour	=	Operating Expense			Total
	Lower	Upper	Graduate				Lower	Upper	Graduate	
Group 1	1,647,773	382,203	117,348		12.66		20,860,806	4,838,690	1,485,626	27,185,122
Group 2	1,194,252	878,867	412,395		12.66		15,119,225	11,126,456	5,220,921	31,466,602
Group 3	1,438,350	605,713	377,071		12.66		18,209,505	7,668,330	4,773,713	30,651,548
Group 4	330,411	0	0		12.66		4,183,003	0	0	4,183,003
Group 5	0	0	135,861		12.66		0	0	1,720,005	1,720,005
TOTALS	4,610,785	1,866,783	1,042,675				58,372,539	23,633,476	13,200,265	95,206,280

E. INSTRUCTIONAL PROGRAM COST SUMMARY

	Lower	Upper	Graduate	Total
Group 1	158,225,518	50,012,815	34,131,853	242,370,186
Group 2	133,862,304	111,236,977	81,093,327	326,192,608
Group 3	227,235,535	115,461,614	156,121,680	498,818,829
Group 4	15,484,430	0	0	15,484,430
Group 5	0	0	96,931,358	96,931,358
TOTALS	534,807,787	276,711,406	368,278,218	1,179,797,411

How many faculty are needed to teach the 7.5M CH ?

12,503

How much would it cost to pay for the 12,503 faculty?

\$913M

How much would it cost for support positions?

\$171M

How much would operating exp cost?

\$95M

Total cost of instruction?

\$1.2B

REGENTS, UNIVERSITY SYSTEM OF GEORGIA

Formula Presentation - Fiscal Year 2011

PART I: INSTRUCTION AND RESEARCH

A. Instruction	\$1,179,797,411
B. Research (equal to graduate instruction academic salaries)	300,047,768
TOTAL FUNDING BASE	\$1,479,845,179

PART II: ACADEMIC SUPPORT (18.9% of the Funding Base)

279,690,739

PART III: STUDENT SERVICES AND INSTITUTIONAL SUPPORT (26.9% of the Funding Base)

398,078,353

PART IV: OPERATION AND MAINTENANCE OF PLANT

A. Regular Operations (48,510,191 square feet at \$5.1782 per square foot)	256,473,574
B. Major Repair/Rehabilitation Fund (See General Obligation Debt Sinking Fund for bond funded item)	0
C. Utilities (48,510,191 square feet at \$2.134 per square foot)	105,695,919

PART V: FRINGE BENEFITS

A. Fringe Benefits (FICA, health and life insurance, workers' compensation, etc.)	537,143,607
B. Teachers' Retirement	162,433,378

PART VI: PUBLIC SERVICE AND COMMUNITY EDUCATION

A. Public Service Institutes	14,013,589
B. Community Education (Cap at 427,375 CEU's at \$43.56 per unit for all CEU's)	18,616,455
C. Campus Coordinators (one professional and one support position per institution)	4,310,828
D. Minority Education Program	2,000,000
	\$3,258,301,620

PART VII: TECHNOLOGY ENHANCEMENT PROGRAM (1.70% Factor)

55,391,128

Total Formula Requirement **\$3,313,692,748**

Sustained Budget Reductions	(801,436,728)
Reduction to be offset by federal stimulus in FY 2010 and FY 2011	(23,186,142)
Public Service Institute Reductions	(2,464,265)

Internal Revenue:

Student Tuition	(\$812,237,198)
Graduate Assistant Fee Reduction	5,400,000
Debt Service Payments	(13,774,910)
Other Funds and Programs	32,675,280

Total Internal Revenue **(\$787,936,828)**

Formula Requirement - Fiscal Year 2011

\$1,698,668,785

Total cost of instruction

\$1.2B

**+ Research,
Academic
Supp, Student
Svcs, Inst.**

\$1.0B

**+ OMP,
Fringes, Pub.
Svc. , Tech**

\$1.1B

Total Formula

\$3.3B

Tuition, etc

(\$0.8B)

Reductions

(\$0.8B)

Formula: State

\$1.7B

Formula Summary

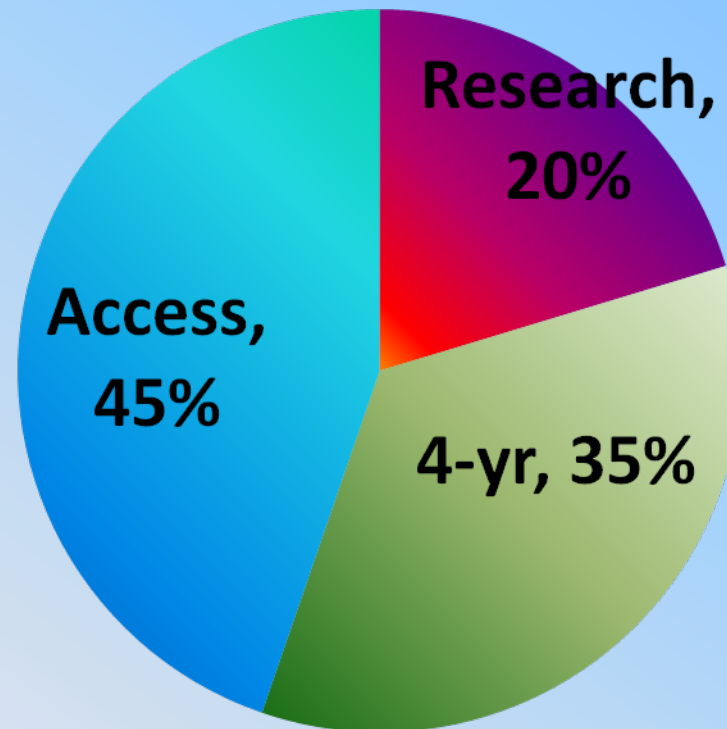
- Enrollment drives the formula
- Average cost formula
- “Asking” Formula



FY 2012 Budget Request

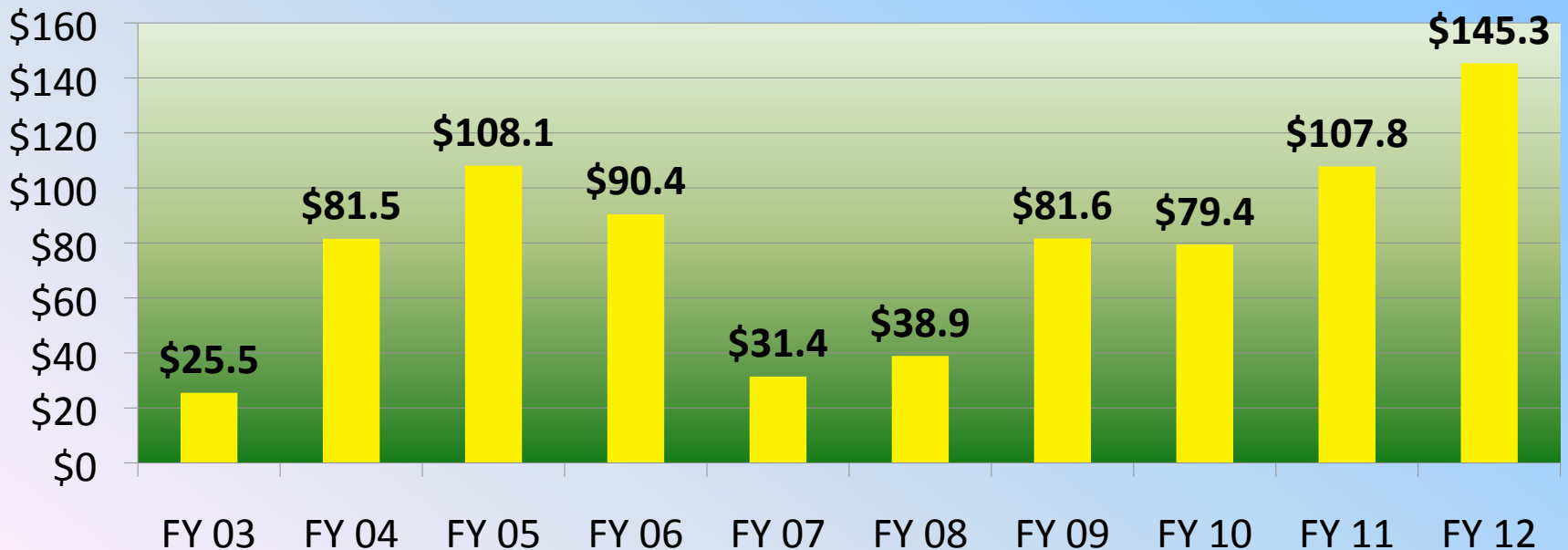


Credit hour Increase by Sector in FY 2010 over FY 2009



FY 2012 Formula Increase

Enrollment:	\$145.3 Million
Health Insurance:	\$ 18.1 Million
M&O Funds:	\$ 8.7 Million
Retiree Fringes:	\$ 4.9 Million
Total :	\$177.0 Million

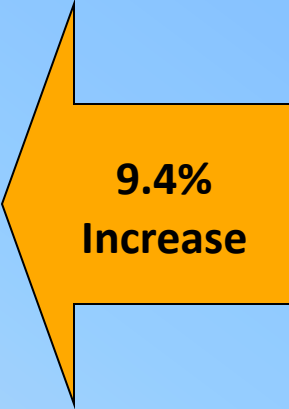


Other Requests

- **Physician Education Expansion, \$1.7M**
- **Georgia Public Libraries Formula, \$125K**
- **M&O Funds for Resident Inst. PPV Projects, \$1.3M**
- **Health insurance, retiree fringes for B Units, \$1.8M**



Operating Budget Request

Fiscal Year 2011 State Appropriations:		\$ 1.92 Billion
Formula Funds	\$177.0 Million	
Physician Education	\$ 1.7 Million	
Public Libraries	\$ 0.1 Million	
Other Requests	\$ 3.1 Million	
Total Increase	\$181.9 Million	
FY 2012 Total Request:		\$ 2.11 Billion

Before Reductions...

Budget Reduction Plans: FY 2011 Amended and FY 2012

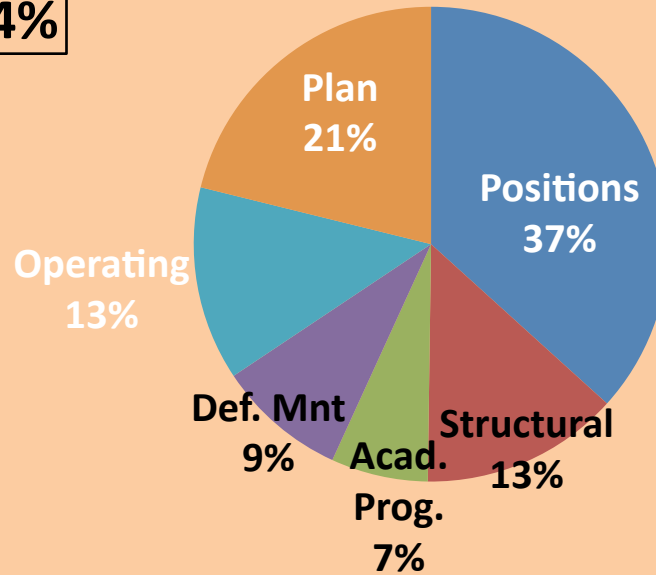


Budget Reduction Instructions

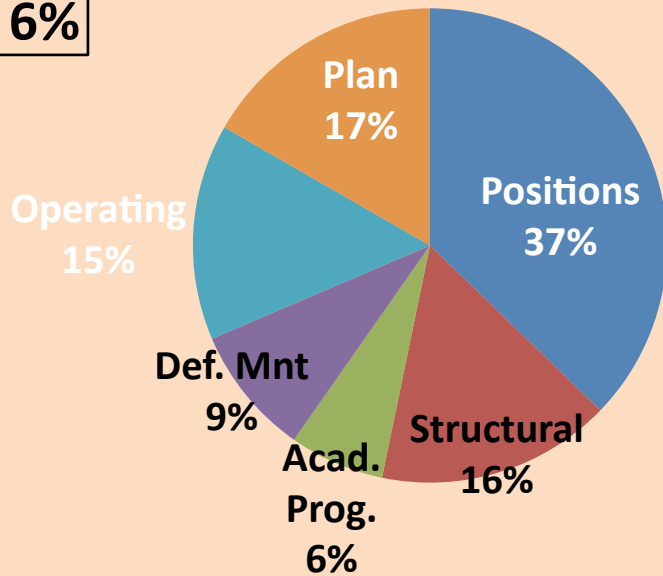
- **Reduction Plans of:**
 - 4% = \$77M (for FY 2011 Amended Only)
 - 6% = \$115M
 - 8% = \$154M
 - 10% = \$192M (for FY 2012 only)
- **No furloughs**
- **FY 2011 cash withhold of 4% currently**

Institutional Reduction Plans at 4%, 6%, 8%

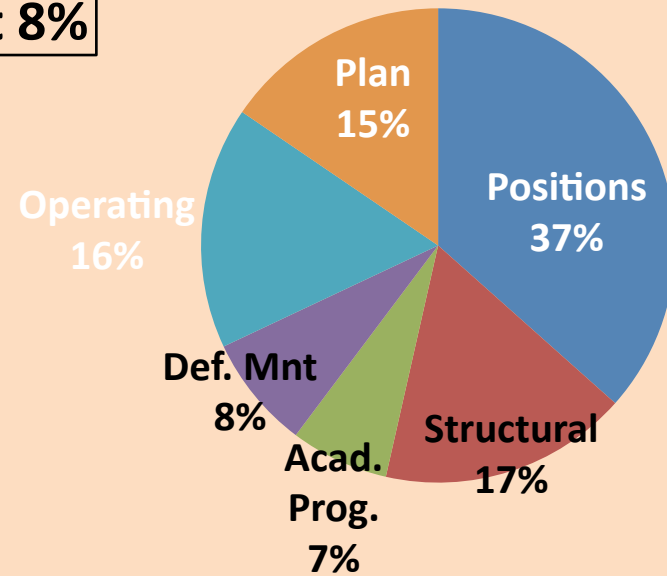
At 4%



At 6%



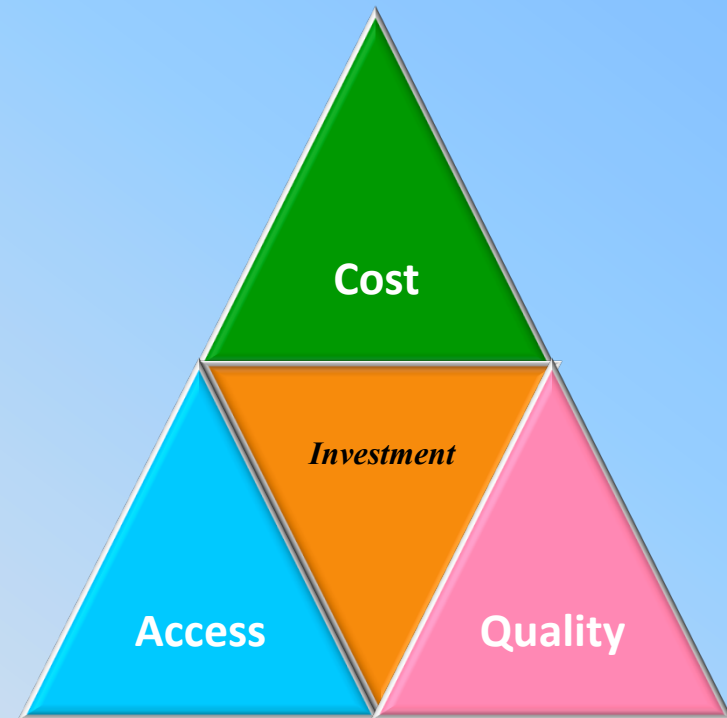
At 8%



Reduction Plan at 10% for FY 2012

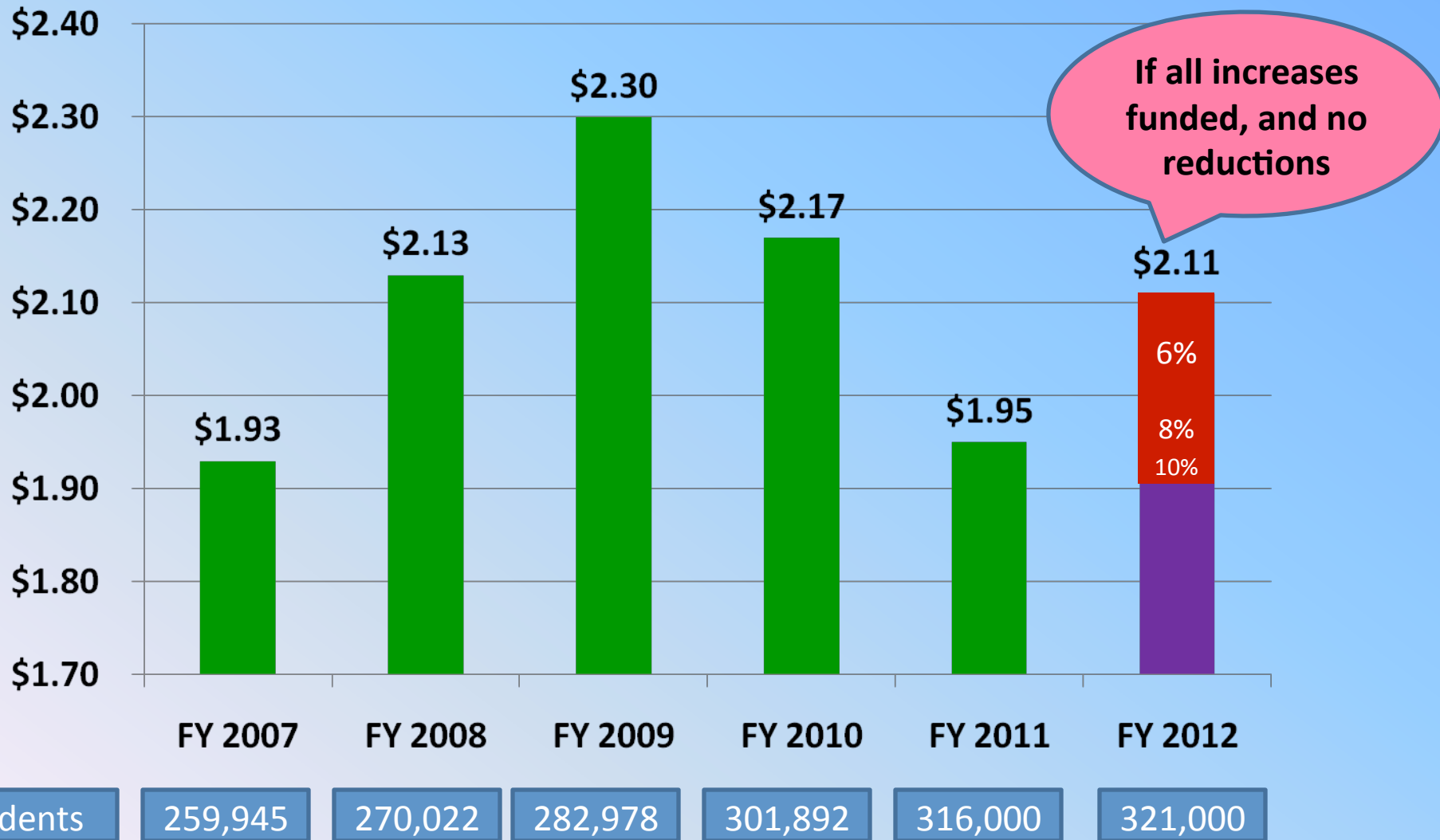
A combination of some of the following actions:

- 1. Further restrictions on learning support**
- 2. Review all institutional fees**
- 3. Analyze enrollment capacity**
- 4. Further institutional reduction actions**



University System of Georgia – Original Budget (State Funds)

All Dollars in Billions



Board of Regents University System of Georgia



Budget Request, Reduction and Rates

Board of Regents University System of Georgia



FY 2012 Budget Request
Capital Budget August 10, 2010

FY 2012

Comprehensive Capital Program

GPLS	\$17,235,000
Equipment	\$1,000,000
Construction	\$190,000,000
Design	\$9,000,000
Other Projects	\$115,100,000
MRR	<u>\$100,000,000</u>
Total	\$432,335,000

FY 2012 Funding for GPLS

Perry Public Library (Houston County)	\$1,600,000
Middle Georgia Regional Library (Jeffersonville, Twiggs County)	\$1,150,000
Athens Regional Library (Royston, Franklin County)	\$1,268,000
Three Rivers Regional Library (Folkston, Charlton County)	\$561,000
Flint River Regional Library (Milner, Lamar County)	\$783,000
Dougherty County Public Library (Albany)	\$2,000,000
Gwinnett County Public Library (Norcross)	\$1,873,000
Cobb County Public Library (East Marietta)	\$2,000,000
Live Oak Public Library, Islands (Savannah, Chatham County)	\$2,000,000
Atlanta-Fulton County Library (Milton, Fulton County)	\$2,000,000
Atlanta-Fulton County Library, Wolf Creek (Fulton County)	<u>\$2,000,000</u>
Subtotal	\$17,235,000

FY 2012 Equipment

AMC	Science Academic Building	\$1,000,000
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FY 2012 Construction

AASU	Gamble Hall Renovation	\$5,500,000
ABAC	Historic Lewis Herring Renovation	\$3,250,000
CCGA	Teacher Education & Learning Center	\$7,600,000
CLSU	Science Building	\$19,800,000
DSC	Academic Building	\$16,150,000
GCSU	Historic Ennis Hall Renovation	\$9,100,000
GIT	Infrastructure - Eco Commons	\$4,200,000

FY 2012 Construction

GGC	Infrastructure - Campuswide	\$7,100,000
GPC	Academic Building	\$18,000,000
GSOU	Biology Building	\$21,200,000
GSWSU	Health & Human Sciences Building	\$7,800,000
KSU	Education Facility	\$18,000,000
SGC	Infrastructure	\$1,200,000
SSU	Marine Biology & Environmental Sciences	\$2,600,000
UWG	Nursing Building	\$16,500,000
VSU	Health Science Building	<u>\$32,000,000</u>
Subtotal		\$190,000,000

FY 2012 Design

BC	Academic Building	\$1,600,000
GGC	Allied Health Building	\$2,000,000
GHC	Student Academic Center	\$2,200,000
UGA	Science Learning Center	<u>\$3,200,000</u>
Subtotal		\$9,000,000

FY 2012 Other Projects

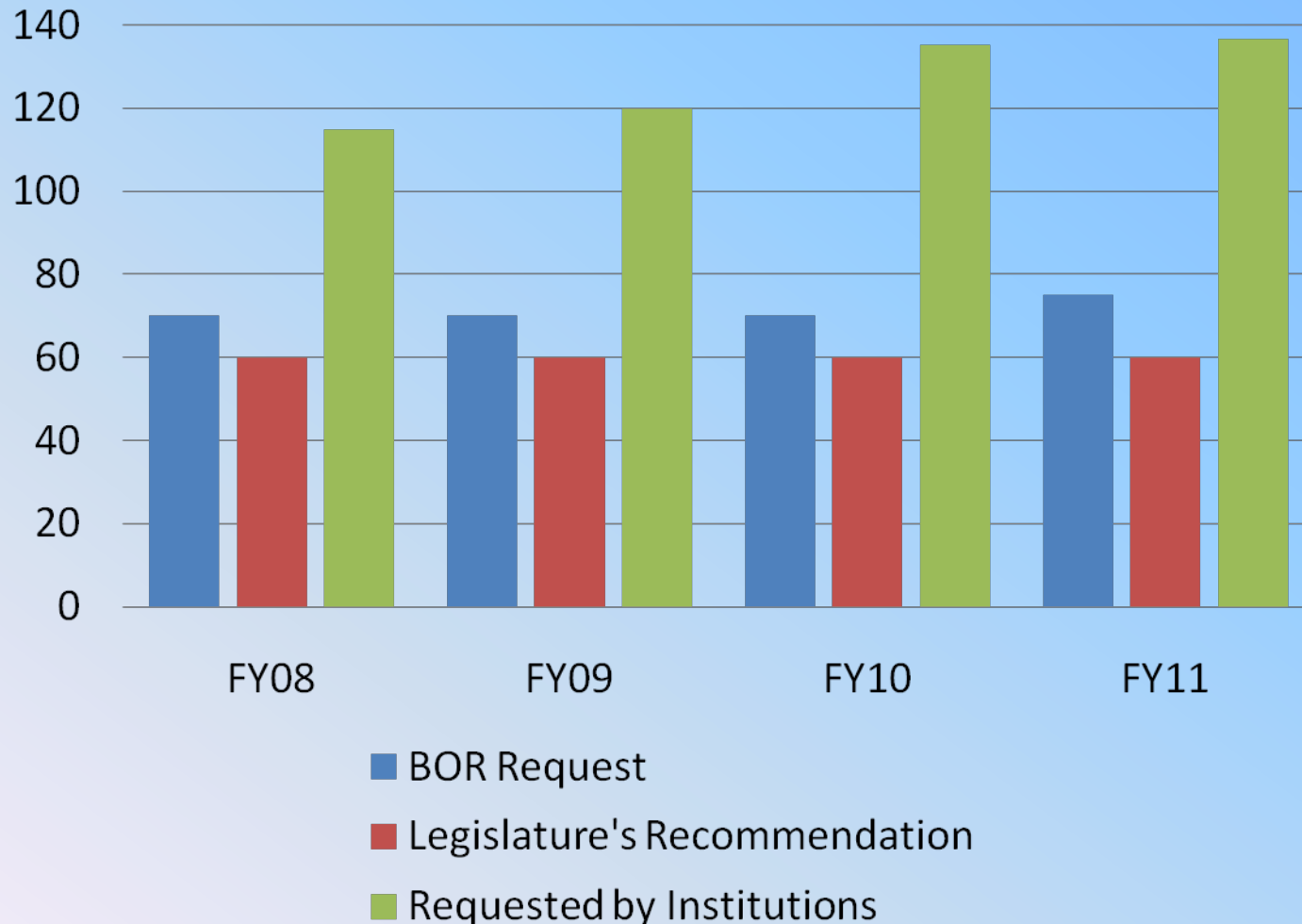
MCG	Medical Commons	\$52,800,000
UGA	Veterinary Medical Teaching Hospital	<u>\$62,300,000</u>
Subtotal		<u>\$115,100,000</u>

FY 2012 Major Repair and Renovation - \$100M

- Critical for USG institutions to meet major repair and renewal needs in instructional spaces and associated infrastructure
 - Ensures safety and integrity of critical facilities systems and components
 - Enables existing instructional space to meet changing enrollment and program needs
 - Promotes local economies through use of locally-based contractors
 - Protects State's capital investment

FY 2012 Major Repair and Renovation - \$100M

Summary of MRR Funding FY08-FY11



Board of Regents University System of Georgia



FY 2012 Budget Request
Capital Budget August 10, 2010

Action

Approval of Budget Request:

- 1. Operating Budget Request**
- 2. Reduction Plans for FY 2011 Amended and FY 2012**
- 3. Capital Budget Request**

Board of Regents University System of Georgia



Budget Request, Reduction and Rates