

AGENDA

COMMITTEE ON FINANCE AND BUSINESS OPERATIONS

April 19, 2011

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AGENDA

COMMITTEE ON FINANCE AND BUSINESS OPERATIONS

April 19, 2011

1. Fiscal Year 2012 Budget Allocations and Fiscal Year 2011 Amended Budget

Recommended: That the Board approve the allocation of state appropriations for fiscal year (“FY”) 2012 among institutions and operating units of the University System of Georgia as well as the fiscal year (“FY”) 2011 amended budget. All allocations for FY 2012 are pending the

1. **Fiscal Year 2012 Budget Allocations and Fiscal Year 2011 Amended Budget (Continued)**

FY 2012. The institutions are: Kennesaw State University, \$3.1 million, Georgia Gwinnett College, \$2.4 million, Gainesville State College, \$400K, and College of Coastal Georgia, \$200K.

FY 2012 Formula:

For the first time, the formula increase of \$177 million requested by the Board of Regents based on increased enrollment and other factors was not funded by the state, due to the difficult economic climate. The formula request included \$145.3 million based on the increase in credit hours in FY 2010, \$8.7 million for the maintenance and operations of new buildings, \$18.1 million for the health insurance premium increases in 2011, and fringes for retirees totaling \$4.9 million.

FY 2012 Capital Budget:

The total bond package for capital projects for the Board of Regents is approximately \$180.9 million for FY 2012 and includes:

- \$45 million for Major Repairs and Rehabilitation (MRR).
- \$4 million for equipment for buildings previously funded for design and construction at North Georgia College & State University

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1. **Fiscal Year 2012 Budget Allocations and Fiscal Year 2011 Amended Budget (Continued)**

FY 2011 Amended Budget:

The total budget for the University System of Georgia at the beginning of FY 2011 was \$1.95 billion. As a result of the economic climate, the state funds budget was reduced to \$1.81 billion at the end of FY 2011. Appendix ID outlines the changes from the beginning of FY 2011 to the FY 2011 amended budget by institution.

During the course of the year, as revenue collections for the state declined, the University System received a net \$135.0 million reduction to the base, including \$101.9 million in formula funding and \$23.2 million in stimulus funds to institutions and \$9.9 million for all line items. The final budget for FY 2011 as approved by the General Assembly is \$1.81 billion (House Bill 77), which is a decrease of 6.9% from the original budget for FY 2011.

	FY 2011 Original Budget	Reductions	Transfers/ Adjustments	FY 2011 Amended Budget
Formula funds	\$1,698,668,785	(\$101,920,030)	(\$ 211)	\$1,596,748,544
Stimulus funds	\$23,186,142	(\$23,186,142)	\$0	\$0
Line Items	\$ 224,493,205	(\$ 9,866,951)	(\$ 748)	\$ 214,625,506
Total	\$1,946,348,132	(\$134,973,123)	(\$ 959)	\$1,811,374,050

The Governor has signed House Bill 77, the Amended Appropriations Act for FY 2011.

2. **Fiscal Year 2012 Tuition and Special Institutional Fee**

Recommended: That the Board approve the tuition rates for fiscal year 2012, to become effective fall semester 2011. Recommended tuition rates appear in Appendix IIA.

Background: Tuition and fees in the University System continue to provide excellent value for

2. **Fiscal Year 2012 Tuition and Special Institutional Fee (Continued)**

3. The projected revenue increase is \$170.5M, of which \$49M is from prior year changes related to discontinuing the fixed-for-four program and raising the ceiling from 12 hours to 15 hours, and \$121M is from the increase in tuition and the special institutional fee.

Given the overall shortfall of \$346 million, the combination of tuition and special fee increases means that the institutions will absorb \$176 million, or 51%, of the total shortfall.

Additionally, out-of-state tuition will increase by the same dollar amount as in-state tuition.

FY 2008 Students coming off the Fixed-for-Four Tuition Plan:

The FY 2008 cohort of students coming off the “Fixed-for-Four” (FFF) tuition will pay the incoming rate for FY 2012. Since these students paid the same low rate for four years, those who did not graduate in four years will pay substantially increased tuition in year 5 (fall 2011). At four-year institutions, this increase is \$26.74 per credit hour, a 22% increase; at Georgia State, this increase is \$54.74 per credit hour, a 29% increase; and at Georgia Tech and the University of Georgia, this increase is \$1,393 per semester, a 62% increase.

FY 2009 Students:

The FY 2009 cohort of students represents the last cohort on the Fixed-for-Four tuition plan, and will continue to pay the same guaranteed tuition rates from FY 2009.

3. Fiscal Year 2012 Mandatory Student Fees

Recommended: That the Board approve the proposed mandatory student fees, including reallocations of the Special Institutional Fee, for FY 2012 for institutions of the University System of Georgia, to become effective fall semester 2011. Recommended mandatory student fees appear in Appendix III.

Background: By policy, the Board of Regents approves all mandatory fees and fee increases. The major mandatory fees include intercollegiate athletic fees, student health service fees, student activity fees, parking and transportation fees, technology fees, and, in recent years, fees to support private funding of facilities such as recreation centers, parking decks, student centers and similar projects. The recommendations contained in Appendix III were developed following a review of institutional fee requests that considered, among other things, the current financial position of the programs and activities supported by fees. Further, each request was accompanied by documentation provided by the related institution concerning the committee review process required by Board of Regents policy, which requires each fee and the budget it supports to be reviewed by a committee comprised of a minimum four students and at least fifty percent of the committee membership.

A summary of fee increase recommendations is provided below.

New Fees and Fee Increases, excluding PPV fees:

Georgia Institute of Technology

3. Fiscal Year 2012 Mandatory Student Fees (Continued)

Columbus State University	<ul style="list-style-type: none"> • Activity Fee, \$5 • International Fee, \$14 (New) • Technology Fee, \$3 • Special Institutional Fee, \$50
Fort Valley State University	<ul style="list-style-type: none"> • Technology Fee, \$20
Georgia Southwestern State University	<ul style="list-style-type: none"> • Activity Fee, \$3 • Athletic Fee, \$9 • Success Center, \$6
North Georgia College & State University	<ul style="list-style-type: none"> • Technology Fee, \$10
Savannah State University	<ul style="list-style-type: none"> • Athletic Fee, \$24 • Health Fee, \$2 • Transportation Fee, \$4
University of West Georgia	<ul style="list-style-type: none"> • Athletic Fee, \$11 • Health Fee, \$10 • Transportation Fee, \$5
Dalton College	<ul style="list-style-type: none"> • Access Card Fee, \$20 (New) • Athletic Fee, \$50 (New)
Georgia Gwinnett College	<ul style="list-style-type: none"> • Athletic Fee, \$60 (New) • Health Fee, \$5 • International Fee, \$2
Gordon College	<ul style="list-style-type: none"> • Athletic Fee, \$8
Middle Georgia College	<ul style="list-style-type: none"> • Activity Fee, \$36 • Health Fee, (\$15)
Darton College	<ul style="list-style-type: none"> • Activity Fee, \$10 • Athletic Fee, \$21 • Technology Fee, \$4
East Georgia College	<ul style="list-style-type: none"> • Access Card Fee, \$15 (New) • Health Fee, \$30 (New) • Parking Fee, \$12
Georgia Highlands College	<ul style="list-style-type: none"> • Athletic Fee, \$50 (New)
Georgia Perimeter College	<ul style="list-style-type: none"> • Access Card Fee, \$10 (New) • Health Fee, \$10 (New)
South Georgia College	<ul style="list-style-type: none"> • Athletic Fee, \$25 • Records Fee, \$10 (New)
Waycross College	<ul style="list-style-type: none"> • Athletic Fee, \$5 • Technology Fee, \$4 • Transportation Fee, \$6

3. Fiscal Year 2012 Mandatory Student Fees (Continued)

9. University of West Georgia: Athletic Complex Fee, \$10 increase to current fee of \$70 (total \$80). This fee increase will be used to support the operating costs and the proforma requirement of an annual surplus.
10. Georgia Gwinnett College: Student Center Fee, \$5 increase to current fee of \$100 (total \$105). This fee increase will be used to support the operational costs associated with the facility.
11. Kennesaw State University: Recreation Center Fee, \$1 increase to current fee of \$42 (total \$43). This fee increase will be used to support operations of the Wellness Center.

Kennesaw State University is seeking early approval of an increase to the Recreation Center Fee in the amount of \$35 to fund facility expansion and renovation. The additional increase of \$35 (total \$78) would be effective fall 2012.

3. Fiscal Year 2012 Mandatory Student Fees (Continued)

Elective Fees requiring Board Approval:

The policy revisions adopted by the Board in January 2010 require certain elective fees to be approved by the Board. They include any fee or special charge that is required to be paid by all full-time, undergraduate students at the institution or by all undergraduate students in a specific degree program, with the exception of specific course fees for supplementary costs. Prior to this change in Board Policy, program fees were already in place at Clayton State University, Kennesaw State University, and Columbus State University. All three institutions have been allowed to continue these charges through FY 2012, during which the appropriateness of the fee will be assessed. No action by the Board is required for FY 2012.

In accordance with the Board Policy, the fees below are recommended for approval.

Institution	Fee	Current Amount	Proposed Rate	Students Impacted
Kennesaw State University	128 Meals	\$ 974	\$ 1,022	Residential, full-time, first-year students with less than 30 hrs.
Kennesaw State University	16 Meals	\$ 126	\$ 132	Residential, full-time, sophomores and juniors (30-89 hrs.)
Kennesaw State	8 Meals	\$ 65	\$ 68	Residential, full-time, seniors (90 hrs.)
Kennesaw State University	48 Meals	\$ 372	\$ 390	Commuter, full-time, first-year students with less than 30 hrs.
Kennesaw State University	16 Meals	\$ 126	\$ 132	Commuter, full-time, sophomores and juniors (30-89 hrs.)
Kennesaw State	8 Meals	\$ 65	\$ 68	Commuter, full-time, seniors (90 hrs.)
College of Coastal Georgia	Dining Dollars	\$ -	\$ 120	Students with 8 or more hours attending classes at the Camden Center
College of Coastal Georgia	30 Meal Pack Dining Plan	\$ -	\$ 195	Brunswick campus students with 8 or more credit hours who do not live in the residence hall.

3. Fiscal Year 2012 Mandatory Student Fees (Continued)

Mandatory Fee: Change in Fee Name:

It is recommended that the Board approve combining the Recreation Fee and the Recreation Center Fee at Georgia Gwinnett College and name the combined fees the “Health and Wellness Fee.”

Upon approval of the new Athletic Fee for Georgia Gwinnett College, it is recommended that the Board approve the combining of the Athletic Fee and the Intramural Fee and name the combined fees the “Athletic Fee.” The integration of fees will meet the student’s requests to reduce the

4. **Information Item: State Auditor's Presentation of the Fiscal Year 2010 Financial Statement Audit Results for the University System of Georgia (Joint Meeting with Committee on Internal Audit)**

Claire Arnold, Deputy Director, Georgia Department of Audits and Accounts, will present information on the Fiscal Year 2010 Financial Statement Audit Results for the University System of Georgia.