



BOARD OF REGENTS MEETING AGENDA
Wednesday, September 14, 2016
Room 8026

<u>Approximate Times</u>	<u>Tab</u>	<u>Agenda Item</u>	<u>Presenter</u>
10:00 AM Room 8026/Phone	1	Call to Order	Chairman Kessel D. Stelling, Jr.
	2	Attendance	Secretary Samuel Burch
	3	Finance & Business Operations	Regent Neil L. Pruitt, Jr. Vice Chancellor Shelley Nickel
	4	Name Regents' Nominating Committee	Chairman Kessel D. Stelling, Jr.
	5	Executive Session	Chairman Kessel D. Stelling, Jr.
	6	Reconvene	Chairman Kessel D. Stelling, Jr.
11:00 AM	7	Adjourn	Chairman Kessel D. Stelling, Jr.

AGENDA

FINANCE AND BUSINESS OPERATIONS

September 14, 2016

Agenda Items

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APPROVAL ITEM

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AGENDA

FINANCE AND BUSINESS OPERATIONS

September 14, 2016

1. **Fiscal Year 2018 Operating and Capital Budget Requests**

Recommended: That the Board approve the fiscal year (“FY”) 2018 Operating and Capital Budget Requests.

Background: Revenue collections for FY 2016 were up 9.4% (\$1.786 billion) compared to FY 2015. Georgia continues to experience increasingly strong economic growth. The state expects this continued economic growth to be sufficient to meet the needs of the growing citizenry, but continues to monitor uncertainties in the global economy. The budget instructions from the Office of Planning and Budget (OPB) allow the University System of Georgia to request the formula funding (workload) increase for FY 2018.

Appendix I outlines the recommended operating request and Appendix II outlines the recommended capital request.

FY 2018 Formula Request (Appendix I: \$114,424,575)

Full funding of the University System formula remains the most essential factor of the annual budget request. These funds assist the System in meeting enrollment demands, provide for new facilities maintenance, ensure affordable student tuition costs, and allow the Board to pursue key strategic initiatives. The formula request contains the following major components:

Enrollment Growth (\$66.70M)

Total credit hours generated by the institutions of the University System of Georgia were 8.31 million in FY 2016, which represents an increase of 1.40%, or 114,466 credit hours, when compared to FY 2015. Total credit hours for research and comprehensive institutions increased by 1.78% and 1.69% respectively, while the total credit hours for the access institutions remained relatively flat. The increase in credit hours generates an additional \$66.7 million in state funds.

1. Fiscal Year 2018 Operating and Capital Budget Requests (continued)

Maintenance and Operations (\$3.43M):

The total resident instruction square footage in the University System is 56.5 million square feet for FY 2018, up from 55.8 million square feet in the FY 2017 formula. The increase of 614,120 square feet generates an additional \$3.43 million in state funds, which are essential for plant operations such as utilities, custodial services, building maintenance and other related operating expenditures.

Health Insurance (\$5.21M):

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1. Fiscal Year 2018 Operating and Capital Budget Requests (continued)

The formula funding request includes restored appropriation (state funds) of \$1.71 million for three projects (student center at Georgia State University, student center addition at Kennesaw State University and facility planning and design at the former Southern Polytechnic State University, now Kennesaw State University). Payback Projects will be completely phased out by fiscal year 2022, with five projects remaining.

Reduce Funding for Georgia Gwinnett College (-\$1.375M):

Further, the formula funding request includes a reduction in the special appropriation for Georgia Gwinnett College in the amount of \$1.375 million. This represents year four of a seven-year reduction plan.

Other Items (Appendix I: \$2,832,090)

Increases for B Units (\$2,758,792):

The increase for health insurance, new retirees and the TRS contribution for the B units will cost an additional \$2,758,792.

Formula for the Georgia Public Library Service (\$39,707)

The formula for the Georgia Public Library Service (GPLS) is based on population growth and geography. The FY 2018 formula funding request for the Georgia Public Library System is \$39,707.

Southern Regional Education Board (\$33,591)

2. Approval of Revisions in Kennesaw State University's Mandatory Commuter Food Service Plans and Fees (continued)

Access 25 and Access 7 mandatory commuter student semester meal plans respectively. This proposal would lower mandatory commuter student meal plan semester prices from \$475 (Access 40) to \$324 (Access 25) for commuter full-time first year students (students with less than 30 credit hours), and from \$160 (Access 14) to \$84 (Access 7) for commuter full-time sophomores and juniors (students having between 30 and 89 credit hours). KSU requests Board approval of this proposal.

FY 2017 State Funds

Formula Funds \$1,897,455,350

All Other Activities 240,246,724

Total FY 2017 State Funds* **\$2,137,702,074**

Formula Increase Request:

Appendix II

**Board of Regents
University System of Georgia**