

AGENDA
COMMITTEE OF THE WHOLE
FINANCE AND BUSINESS OPERATIONS

April 17, 2012

Agenda Item	Page No.
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INFORMATION ITEM

- | | |
|---|---|
| 1. Budget Recap – Fiscal Year 2012 Amended and Fiscal Year 2013 | 1 |
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APPROVAL ITEMS

- | | |
|---|----|
| 2. Fiscal Year 2012 Amended Budget | 2 |
| 3. Approval of Resolution for the Continuation of Special Institutional Fee | 3 |
| 4. Fiscal Year 2013 Tuition | 5 |
| 5. Approval of Proposed Revision to <i>The Policy Manual</i> , 7.3.4.1 Out-of-State Tuition Waivers | 8 |
| 6. Fiscal Year 2013 Mandatory Student Fees | 9 |
| 7. Fiscal Year 2013 Budget Allocations | 12 |

AGENDA

2. **Fiscal Year 2012 Amended Budget**

Recommended: That the Board approve the allocation of state appropriations for fiscal year (“FY”) 2012 amended budget.

Background: The total state funds budget for the University System of Georgia at the beginning of FY 2012 was \$1.74 billion. Appendix I outlines the changes from the beginning of FY 2012 to the FY 2012 amended budget by institution. The final state funds budget for FY 2012 as approved by the General Assembly is \$1.70 billion (House Bill 741), which is a decrease of 1.95% from the original budget for FY 2012. The reductions are pro-rated based on share of institution’s state funds budget. Reductions identified specifically by HB 741 were made accordingly.

	FY 2012 Original Budget	Reductions	FY 2012 Amended Budget
Formula funds	\$1,553,790,529	(\$31,075,810)	\$1,522,714,719
Line Items	\$ 185,124,490	(\$ 2,872,628)	\$ 182,251,862
Total	\$1,738,915,019	(\$33,948,438)	\$1,704,966,581

3. Approval of Resolution for the Continuation of Special Institutional Fee

Recommended: That the Board approve a resolution for the continuation of the Special Institutional Fee, effective fiscal year 2013, in accordance with budget reduction requirements approved by the Board in September 2011.

Background: In December 2008, the Board approved a temporary fee for spring semester in response to budget cuts. The continuing budget reductions imposed by the State of Georgia necessitated increases to and a continuation of the fee to maintain quality, offer courses for students to meet graduation requirements, and meet increased enrollment demand.

The Special Institutional Fee is scheduled to sunset on June 30, 2012. The fee will be considered as continuing, and will be re-evaluated annually thereafter, as with all mandatory fees. Appendix III contains the Special Institutional Fee by institution.

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4. Fiscal Year 2013 Tuition (Continued)

Proposed Undergraduate Rate Increases:

4. Fiscal Year 2013 Tuition (Continued)

5. **Approval of Proposed Revision to *The Policy Manual*, 7.3.4.1 Out-of-State Tuition Waivers**

Recommended: That the Board approve the proposed revision to the Board Policy, Section 7.3.4.1 Out-of-State Tuition Waivers, effective July 1, 2012.

Background: Superior, out-of-state students are in high demand by institutions across the country; therefore, the tuition charged by institutions for these students must be market sensitive. Selection of highly qualified students is integral to the performance and success of our institutions. Highly qualified students bring focus, determination, intelligence, and inspiration to the classroom setting, and generally forge long-lasting relationships as alumni. These students are attractive to numerous college and universities across the nation and select their institution of higher learning from factors that include both the program as well as those things the institution can offer towards their education.

Over time, out-of-state tuition rates may, in some cases, become greater than rates charged by peer or comparable institutions. This may cause University System of Georgia (“USG”) institutions to be at a competitive disadvantage

6. Fiscal Year 2013 Mandatory Student Fees

Recommended: That the Board approve the proposed mandatory student fees for fiscal year (“FY”) 2013 for institutions of the University Sy

6. Fiscal Year 2013 Mandatory Student Fees (Continued)

PPV Projects:

1. Columbus State University: Recreation-Facility Fee, \$35 increase to current fee of \$135 fee (total \$170). This fee increase will be used to meet lease payment obligation.
2. Georgia College & State University: Wellness Center Fee, \$50 increase to current fee of \$125 fee (total \$175). This fee increase will be used to support the lease payment obligation associated with the new Wellness Center.
3. Savannah State University: Student Center and Stadium Facility Fee, \$10 increase to current fee of \$160 (total \$170). This fee increase will be used to support the lease payment obligation associated with the new Student Center and the renovation of the Football Stadium.
4. Southern Polytechnic State University: Transportation Fee, \$5 increase to the fee of \$100 (total \$105). This fee increase will be used to meet lease payment obligation associated with the Parking Deck.
5. Darton College: Student Activity Fee. \$40 increase to current fee of \$160 (total \$200). This fee increase will be used to meet lease payment obligation associated with the newly constructed Student Center.

6. Fiscal Year 2013 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 2013, during which the appropriateness of the fee will be assessed. No action by the Board is required for FY 2013, except as noted below.

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

Institution	Fee	Current Amount	Proposed Rate	Students Impacted
Fort Valley State University	Wildcat Cash	\$ -	\$ 100	All non-residential, full-time, undergraduate students
Kennesaw State University	128 Meals	\$ 1,022	\$ 1,073	Residential, full-time, first year students with less than 30 hrs.
Kennesaw State University	16 Meals	\$ 132	\$ 138	Residential, full-time, sophomores and juniors (30-89 hrs.)
Kennesaw State University	8 Meals	\$ 68	\$ 71	Residential, full-time, seniors (90 hrs.)
Kennesaw State University	48 Meals	\$ 390	\$ 410	Commuter, full-time, first year students with less than 30 hrs.
Kennesaw State University	16 Meals	\$ 132	\$ 138	Commuter, full-time, sophomores and juniors (30-89 hrs.)
Kennesaw State University	8 Meals	\$ 68	\$ 71	Commuter, full-time, seniors (90 hrs.)
College of Coastal Georgia	Dining Dollars	\$ 120	\$ 120	Students with 8 or more hours attending classes at the Camden Center
College of Coastal Georgia	Summer Dining Dollars			

7. Fiscal Year 2013 Budget Allocations

Recommended: That the Board approve the allocation of state appropriations for fiscal year (“FY”) 2013 among institutions and operating units of the University System of Georgia (“USG”). All allocations for FY 2013 are pending the Governor’s signing House Bill 742, the Appropriations Act for FY 2013.

Background: The total state funds budget for the USG at the beginning of FY 2012 was \$1.74 billion. The recommended state funds budget for FY 2013 is \$1.83 billion. Appendix IVA lists the changes from FY 2012 to FY 2013. The allocations by institution are shown in Appendix IVB. Appendix IVC lists the changes from FY 2012 to FY 2013 in the Special Funding Initiatives and Research Consortium.

FY 2013 Budget:

The state funds budget for FY 2013 is \$1.83 billion, including \$1.63 billion in formula funds and \$197 million in all other line items. The FY 2013 budget represents a total net increase of \$89.7 million, or 5.16%.

	FY 2012 Original Budget	Additions	Reductions	Transfers and Eliminations	Net Increase to Pass- Through Organizations	FY 2013 Budget
Formula funds	\$1,553,790,529	\$114,401,015	(\$35,286,153)	(\$1,214,596)	-	\$1,631,690,795

7. **Fiscal Year 2013 Budget Allocations (Continued)**

- \$11.8 million in increases for line items:
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7. Fiscal Year 2013 Budget Allocations (Continued)

FY 2013 Allocation Recommendations:

Allocations of state funds by institution are listed in Appendix IVC.

- Of the new enrollment funds of \$72.6 million, funds are allocated based on a combination of factors: (1) enrollment increases over the past two-year period, (2) restoration of budget reductions to maintain quality and (3) targeted institutional priorities.
- Allocations of cost increases for maintenance and operations for new space are allocated based on institutional projections of cost increases over the past two-year period. This provides funding for additional square footage that came on line in FY 2012, since no formula funding was received in FY 2012.
- Allocations of cost increases for health insurance, new retiree health benefits, and the TRS and ERS rate increases are allocated based on institutional projections of cost increases.
- All general reductions are pro-rated based on share of each institution's state funds

7. Fiscal Year 2013 Budget Allocations (Continued)

- \$8 million for the Georgia Research Alliance equipment
- \$3 million for renovations of the Rural Development Center
- \$4.4 million for Georgia Public Libraries, including \$2.3 million for Major Repairs and Rehabilitation (MRR)
- \$7 million for the Health and Wellness Center at Georgia Military College
- \$1.8 million for system upgrades at Georgia Public Telecommunications Commission
- \$1.3 million for facility improvements at Georgia Public Telecommunications Commission