



Board of Regents University System of Georgia

FY 2016 Operating Budget Request
September 9, 2014

FY 2016 Budget Cycle

(Budget Effective July 1, 2015 – June 30, 2016)

June – September 2014

- Development of FY16 Budget Request

September 2014

- **Board Approves FY16 Budget Request**

September 2014

- USG Submits FY16 Budget Request to Governor

January 2015

- Governor's Releases Budget Recommendations

March – April 2015

- General Assembly Finalizes FY 16 Appropriations

April 2015

- **Board Approves Allocations, Tuition and Fees**

April – May 2015

- Institutions Develop and Submit FY16 Budget

May 2015

- Board Approves FY16 Budget (By Institution)

June 2015

- FY16 Annual Operating Budget Submitted to OPB

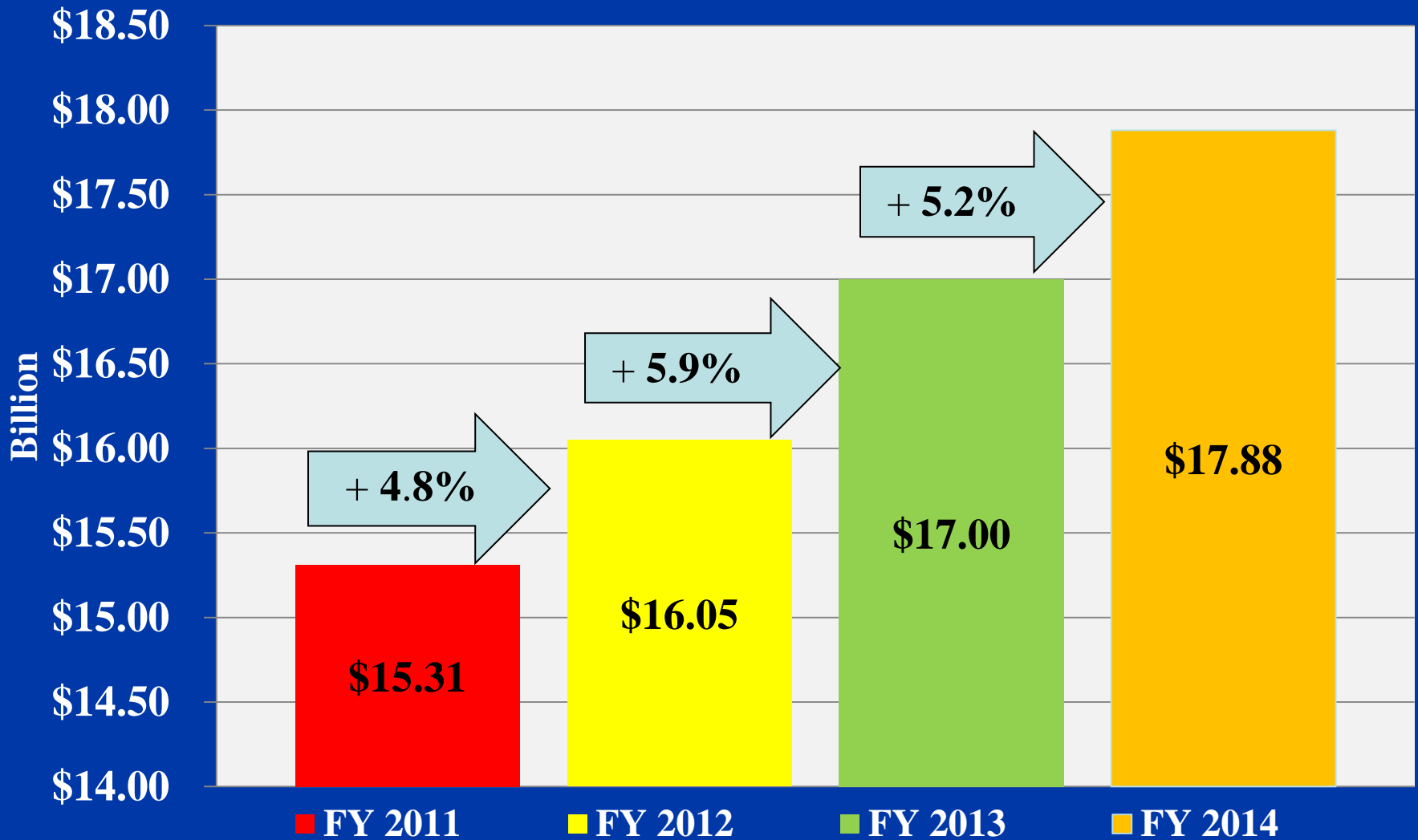
FY 2015 Budget - \$7.77B

State Appropriations	\$1,939,087,764
Tuition	1,765,103,181
Special Institutional Fee	206,960,404
Other Revenues	378,575,411
Sponsored	2,012,028,381
Departmental Sales and Services	260,037,132
Total Educational and General	6,561,792,273
Capital	139,221,744
Auxiliary Enterprises	938,866,341
Student Activities	128,334,305
Total FY 2015 Original Budget	\$7,768,214,663

~25% of Total Budget

State Revenue Collections

FY 2011 – FY 2014 Actual Collections



State Budget Outlook

- Revenue Collections
 - FY 2015 Projected Growth of 5.0%
 - FY 2016 Likely Growth of 5+%
- Revenue Shortfall Reserve \$900 Million (*Audit not final*)
- FY 2015 Amended and FY 2016 Budget Issues:
 - Continue to Rebuild Revenue Shortfall Reserve
 - Healthcare:
 - Medicaid and Health Plans
 - Affordable Care Act
 - Education Enrollment Funding (Primarily K-12)
 - Retirement – TRS and ERS

Budget Instructions

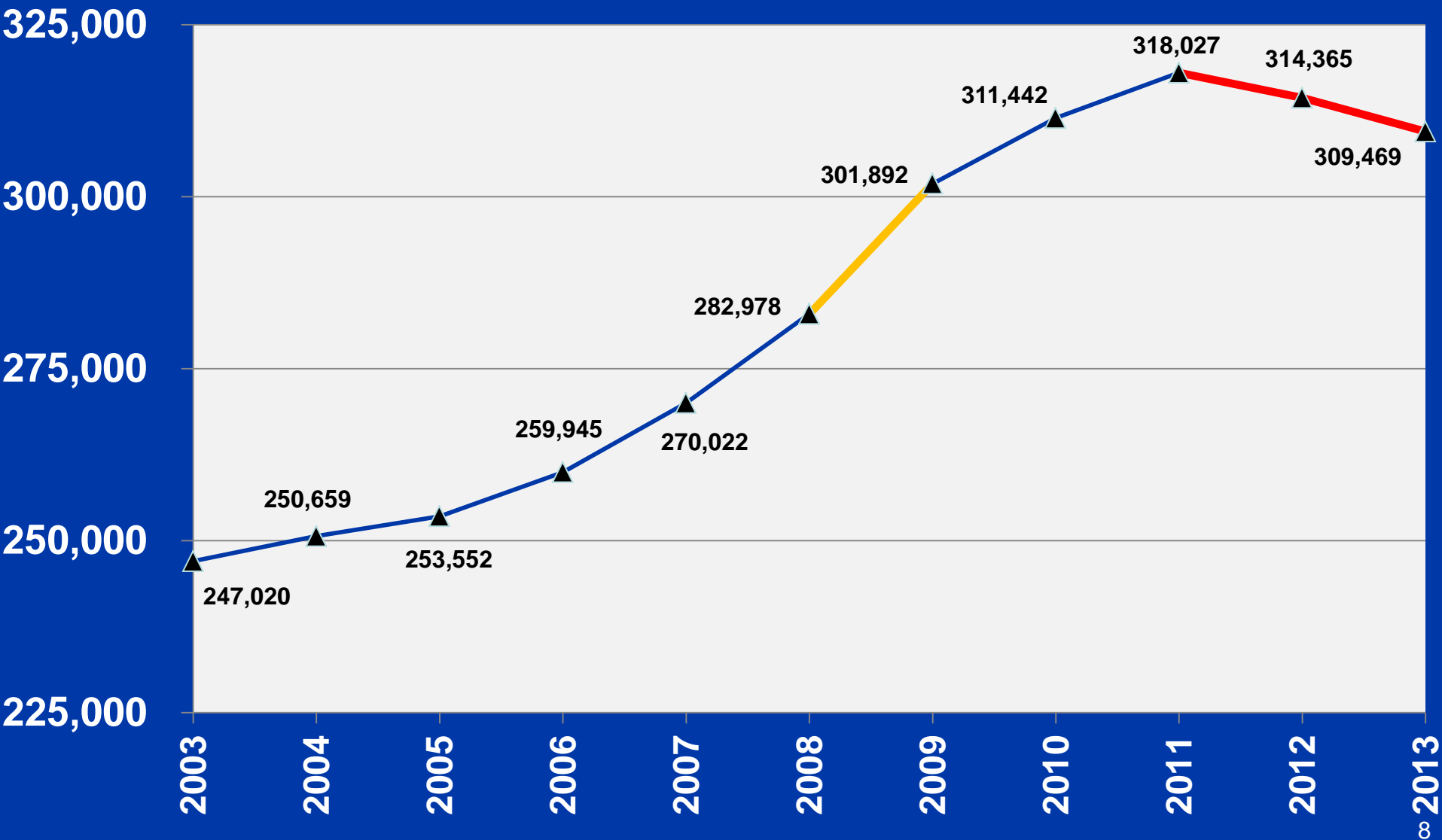
- Provided by the Office of Planning and Budget (July 9th)
- No required reductions or withholds
- Request Limited: For most State Agencies the FY 2016 Budget Must Equal the FY 2015 Budget
- Exception: State Education Agencies May Request Workload Increases (Enrollment, M&O and Fringes)
- Other Requests Must Contemplate Redirected Funds
- FY 2015 Amended: No Change to Base Funding

Performance Funding

- Performance Funding
- Transition to Performance Will Begin in FY 2016
 - Currently in Discussion with Budget Offices
 - Request for Additional Study of Some Components
- FY 2016 Approach: Add-On Funding Based on Metrics
- FY 2017 and Beyond: Significant Portion of Formula Earnings Based on Metrics
- Anticipated Agreement By December for FY 2016 Funds
- OPB Instructions: Request Formula Funds Using Existing Enrollment-Based Formula

University System Enrollment

Fall Headcount Enrollment



FY 2016 System Request

- Enrollment Funding:
 - 1.08% decline in semester credit hours
 - Growth: Upper Level and Graduate/Professional Course
 - Decline: Lower Level Courses
 - \$7.62 million in net additional enrollment funding
- Maintenance and Operations:
 - Additional 1.2 Million Square Feet of Space
 - \$7.13 Million
- Health Insurance:
 - Active and Retired Employees
 - Enrollment, Health Inflation and Affordable Care Act
 - \$24.4 Million (Active) and \$5.3 Million (Retirees)

FY 2016 Formula Request

Enrollment Growth	\$ 7,624,240
M&O Funds - Increased Square Footage	7,130,414
Health Insurance – Employer Share	24,390,426
Retiree Health and Life Benefits	5,307,276
Payback Projects Retired (4 Projects)	1,310,760
Reduce Funding Georgia Gwinnett College	<u>(1,375,000)</u>
Total Formula Request	\$ 44,388,116

FY 2016 Other Permitted Requests

B Units – Health and Retirees	\$ 1,792,922
Formula for Georgia Public Library System	158,154
Southern Regional Education Board (SREB)	<u>27,200</u>
Total Other Request	\$ 1,978,276

FY 2016 Funding Change

Fiscal Year 2015 State Appropriations **\$ 1.939 Billion**

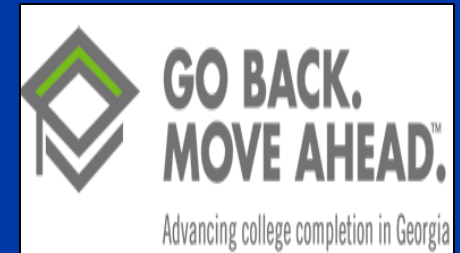
Formula Increase **\$ 44.39 Million**

Other **1.98 Million**

Total Increase (2.4%) **\$ 46.37 Million**

FY 2016 Total Request **\$ 1.985 Billion**

Other Initiatives for Consideration



Go Back – Move Ahead/CCG (w/TCSG)	\$ 1,500,000
GaTRACS with TCSG	697,000
Desire to Learn (D2L) Data Analytics	3,000,000
Warner Robins Operating (Joint Facility w/TCSG)	1,000,000
College of Agricultural and Environmental Sciences	1,720,000
GTECH - Advanced Technology Development Center	<u>1,906,400</u>
Total Other Initiatives Consideration	\$ 9,823,400



Board of Regents University System of Georgia

FY 2016 Capital Budget Request



Equipment

UGA	Science Learning Center	<u>\$3,300,000</u>
	Subtotal	\$3,300,000



Construction

ALSU	Academic Building – Fine Arts	\$ 19,800,000
CSU	Acad. Core Renovations/Additions	17,400,000
GCSU	Historic Beeson Hall Renovation	9,100,000
GGC	Building C, Phase 3	11,500,000
GHC	Student Academic Ctr. – Cartersville	17,700,000
SSU	Science & Technology Facilities	16,000,000
UGA	Business Learning Community	49,000,000
UGA	CCRC Expansion	<u>17,000,000</u>
	Subtotal	\$157,500,000



Design

ASU	Health Professions Acad. Center	\$ 1,800,000
AMSC	Student Services & Success Center	700,000
CLSU	Academic Core Renovations	1,400,000
GPC	Alpharetta Labs & Student Learning	500,000
UNG	Dahlonega – Convocation Center	3,500,000
UWG	Biology Renovation & Expansion	<u>1,900,000</u>
	Subtotal	\$ 9,800,000



FY 2016 Major Repair and Renovation - \$60,000,000

Critical for USG institutions to meet major repair and renewal needs in instructional buildings and associated infrastructure

- Maintains safety and integrity of critical facilities systems and components
- Enables instructional space to meet changing enrollment and program needs
- Promotes local economies through the use of locally based contractors and designers
- Protects State's capital investment



FY 2016 Other

UGA	Animal and Dairy Science	
	Building Restoration (Tifton)	<u>\$ 5,000,000</u>
	Subtotal	\$ 5,000,000



Georgia Public Library System

Dougherty County Public Library (Northwest Public, Albany)	\$ 565,000
Three Rivers Regional Library (Folkston, Charlton County)	2,000,000
Gwinnett County Public Library (Norcross Branch Library)	1,875,000
Cobb County Public Library (East Marietta Branch)	2,000,000
West Georgia Regional (Villa Rica Library, Carroll County)	1,500,000
Uncle Remus Regional (WH Stanton Memorial Library, Walton)	2,000,000
Athens Regional (Bogart Public, Oconee County)	1,755,750
Troup Harris Regional (Harris County Public Library)	2,000,000
Flint River Regional Library (Milner Public Library, Lamar)	500,000
Kinchafoonee Regional (Quitman County Library)	1,041,000
Major Repair and Rehabilitation	2,000,000
Computer Replacement	<u>2,000,000</u>
Subtotal	\$19,236,750

“Creating A More Educated Georgia”



FY 2016 Capital Summary

Equipment	\$ 3.3 M
Construction	157.5 M
Design	9.8 M
Major Repair and Renovation	60.0 M
Other	5.0 M
Georgia Libraries	<u>19.2 M</u>
Total	\$ 254.8 M



Small Capital Projects

(For Consideration By General Assembly)

ABAC	Renovation King Hall	\$ 2,500,000
CCGA	Library Renovation/Expansion	2,000,000
DLSC	Renovation of Sequoya Hall	3,000,000
DRSC	Student Services Center	1,700,000
EGSC	Academic Bldg. Expansion & Renovation	4,500,000
FVSU	Bishop Hall Renovation	4,000,000
GIT	Holland Plant Chilled Water System	5,000,000
GRU	Replace/Upgrade Elect. Central Energy	1,500,000
GSU	Classroom South Addition, Phase 2	4,900,000
KSU	English Building Renovate/Addition	4,900,000
MGSC	Natural Science/Nursing-Warner Robins	5,000,000
VSU	Renovate Pound Hall	<u>3,500,000</u>
	Subtotal	\$ 42,500,000

“Creating A More Educated Georgia”



Board Action Items

- Approval of the FY 2016 Operating Budget Request
- Approval of the FY 2016 Capital Budget Request