



# 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

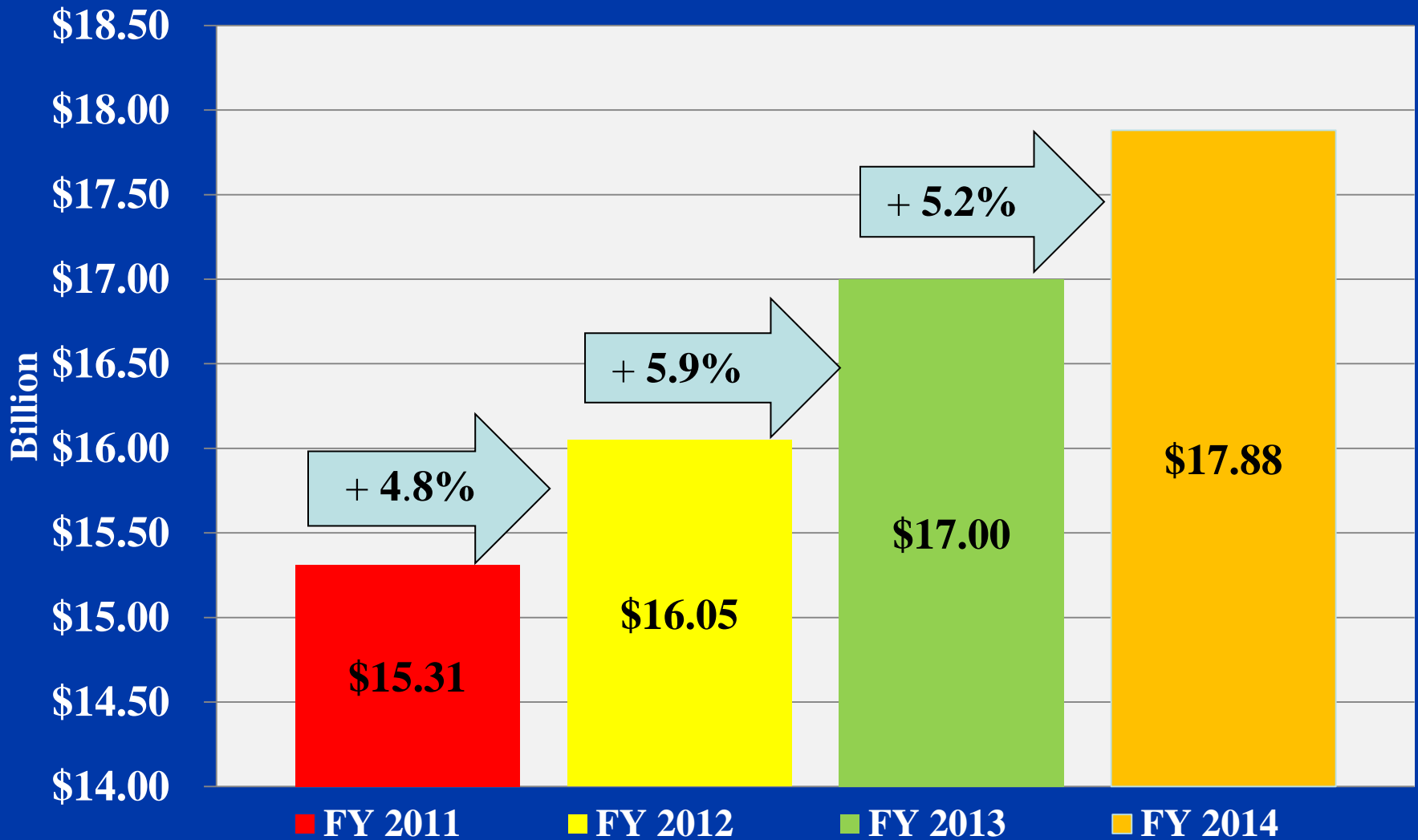
State Appropriations	\$1,939,087,764
Tuition	1,765,103,181
Special Institutional Fee	206,960,404
Other Revenues	378,575,411
Sponsored	2,012,028,381
Departmental Sales and Services	260,037,132
<b>Total Educational and General</b>	<b>6,561,792,273</b>
Capital	139,221,744
Auxiliary Enterprises	938,866,341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



~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

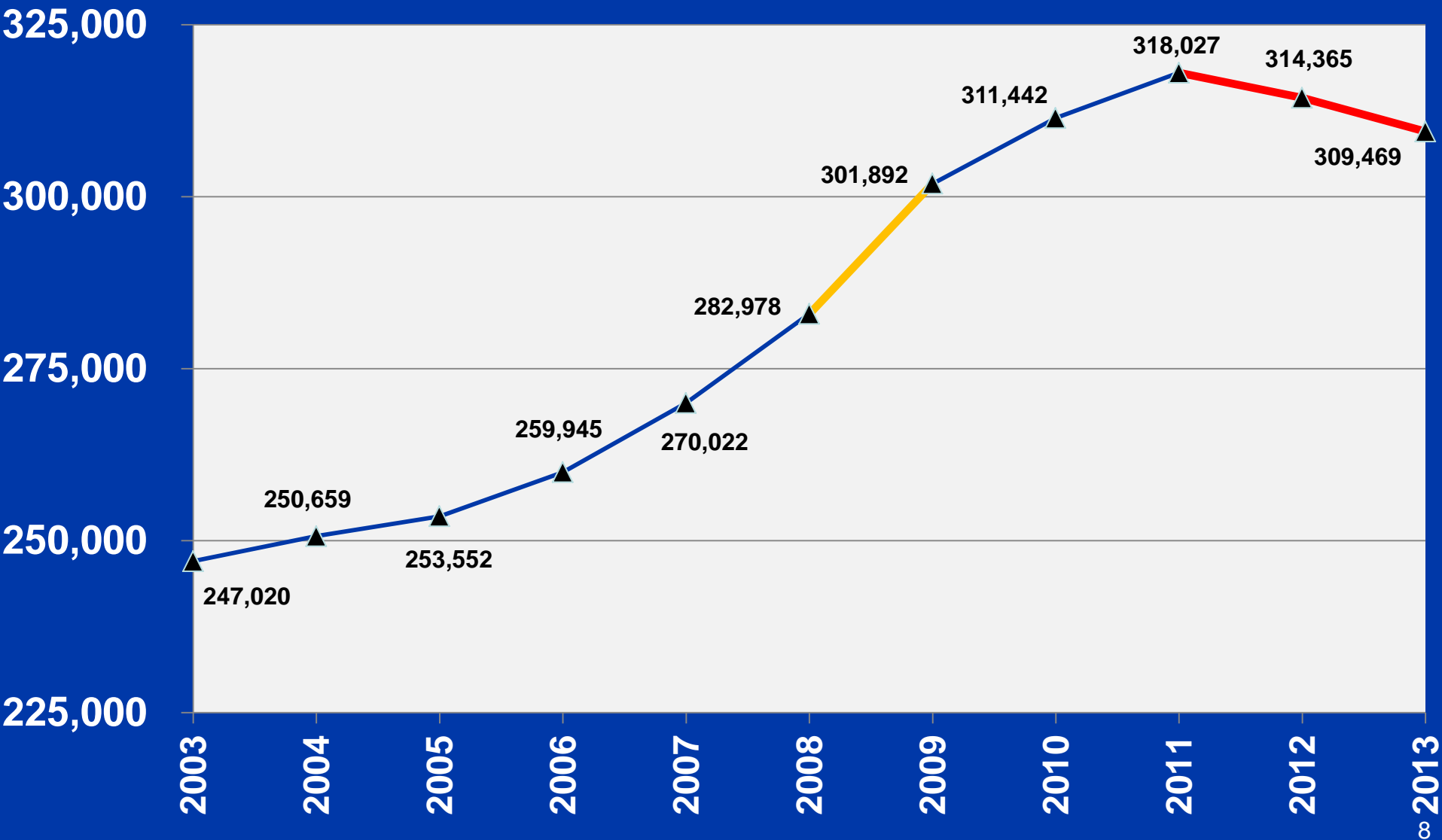
- Provided by the Office of Planning and Budget (July 9<sup>th</sup>)
- No required reductions or withholds
- Request Limited: For most State Agencies the FY 2016 Budget Must Equal the FY 2015 Budget
- Exception: State Education Agencies May Request Workload Increases (Enrollment, M&O and Fringes)
- 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>
<b>Total Formula Request</b>	<b>\$ 44,388,116</b>

# FY 2016 Other Permitted Requests

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

# FY 2016 Funding Change

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

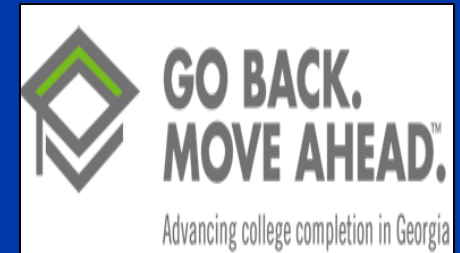
**Formula Increase**      **\$ 44.39 Million**

**Other**      **1.98 Million**

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

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

# Other Initiatives for Consideration



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



# Board of Regents University System of Georgia

## FY 2016 Capital Budget Request



# Equipment

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



# Construction

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





# Design

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



# 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

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



# 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>
<b>Subtotal</b>	<b>\$19,236,750</b>



# 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)

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

*“Creating A More Educated Georgia”*



# Board Action Items

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