



**BOARD OF REGENTS OF  
THE UNIVERSITY SYSTEM OF GEORGIA**

CHANCELLOR ERROLL B. DAVIS, JR.  
270 WASHINGTON STREET, S.W.  
ATLANTA, GEORGIA 30334

(404) 656-2202  
FAX (404) 657-6979  
[chancellor@usg.edu](mailto:chancellor@usg.edu)

January 15, 2010

Board of Regents of the  
University System of Georgia  
270 Washington Street  
Atlanta, Georgia 30334

Dear Board Members:

Governor Sonny Perdue released his recommendations for the FY 2010 amended and FY 2011 original budgets at noon today. Full details are attached. Below is a description of the policy implications of his key recommendations:

**Operating Budget:**

1. The Governor has recommended \$113 million for the funding formula, including enrollment growth and maintenance and operations funding for new space. This is excellent news and demonstrates the Governor's strong support for higher education, even in these difficult economic times. This funding will help our institutions meet the enrollment demand as well as to maintain quality.
2. The Governor has recommended \$900,000 for the expansion of physician education. The recommendation is in line with our request, and allows us to continue the momentum in this important strategic initiative.
3. The recommendations transfer funding for the State Museum of Agriculture in Tifton to the Abraham Baldwin Agricultural College. Legislation will be required to complete this transfer.
4. The Governor has recommended \$1.9 million for the state's commitment to the NCR project, a major economic development initiative for the state.
5. Institutions will have a net reduction of \$147 million, or 8.2% of formula funds, for FY10 amended, after counting additional federal stimulus funds of \$47 million. These cuts will continue into FY11, along with an incremental 1.7% (\$30 million), for a total reduction of \$177 million or 9.9%.
6. The special funding initiative for the research initiative at the Medical College has been reduced by \$5 million upon completion of the five-year commitment. This funding has been very important to MCG's research growth and development.

**Capital Budget:**

The Governor's bond package totals \$900 million for the state, of which \$300 million is earmarked for the Department of Transportation. Of the remaining \$600 million, the recommendation for the University System is \$120 million, including \$111 million for the institutions and \$10 million for the Georgia Research Alliance. The capital tracking sheet is attached, with the summary details below:

1. MRR funding of \$60 million.
2. Equipment funding for projects at Coastal Georgia, Fort Valley, Georgia Tech, Gainesville, Macon State, University of Georgia, and Southern Polytechnic.
3. Infrastructure projects at Columbus State and Georgia Tech.
4. Construction funding for projects at Armstrong Atlantic and East Georgia.
5. Design funding for projects at Albany (Ray Charles) and University of Georgia (veterinary medical learning center).

Obviously, the recommendation of \$111 million does not address all of the needs identified by the Board of Regents. We will contact OPB and seek additional details regarding the bond recommendations. We will keep you posted.

If you are interested in attending our presentation to the Joint Appropriations Committee on January 20<sup>th</sup> at 2:00 pm, please let my office know and we will facilitate the logistics. Copies of my presentation will be sent to you as soon as it is available.

Please contact me or Usha Ramachandran if you have any questions about the recommendations.

With warmest regards,



Erroll B. Davis, Jr.

CC: Presidents

Attachments (3)

**University System of Georgia  
Amended FY 2010 Budget Recommendations**

		<b>Governor's Recommendation</b>
<b>Teaching Programs</b>		
<b>Formula Funds</b>		
Total reductions (including furloughs and other cuts to operating and personal services) at <b>10.9%</b>	\$	(194,659,370)
Offset reduction with federal stimulus funds to reduce total cut of 10.9% to <b>8.2%</b>	\$	47,587,263
Adjustment for workers' compensation premium	\$	115,952
<b>Total adjustment to formula funds</b>	<b>\$</b>	<b>(146,956,155)</b>
<b>Total reduction (%)</b>		<b>-8.2%</b>
<b>Special Funding Initiatives</b>		
Total reductions (including furloughs and other cuts to operating and personal services)	\$	(3,472,153)
Redirect funding from the seed capital fund in the ATDC/EDI program to the ICAPP Initiative in the Public Service/Special Funding Initiative program for leadership development and training.	\$	1,900,000
<b>Total</b>	<b>\$</b>	<b>(1,572,153)</b>
<b>Total reduction (%)</b>		<b>-3.6%</b>
<b>Research Consortium</b>		
Total reductions (including furloughs and other cuts to operating and personal services)	\$	(2,294,384)
<b>Total</b>	<b>\$</b>	<b>(2,294,384)</b>
<b>Total reduction (%)</b>		<b>-9.0%</b>
<b>Advanced Technology Development Center/Economic Development Institute - GIT</b>		
Total reductions (including furloughs and other cuts to operating and personal services)	\$	(1,471,360)
Redirect funding from the seed capital fund in the ATDC/EDI program to the ICAPP Initiative in the Public Service/Special Funding Initiative program for leadership development and training.	\$	(1,900,000)
<b>Total</b>	<b>\$</b>	<b>(3,371,360)</b>
<b>% Change</b>		<b>-28.6%</b>
<b>Agricultural Experiment Station - UGA</b>		
Total reductions (including furloughs and other cuts to operating and personal services)	\$	(3,776,223)
<b>Total</b>	<b>\$</b>	<b>(3,776,223)</b>
<b>% Change</b>		<b>-9.1%</b>
<b>Cooperative Extension Service - UGA</b>		
Total reductions (including furloughs and other cuts to operating and personal services)	\$	(3,313,206)
<b>Total</b>	<b>\$</b>	<b>(3,313,206)</b>
<b>% Change</b>		<b>-9.5%</b>
<b>Forestry Cooperative Extension - UGA</b>		
Total reductions (including furloughs and other cuts to personal services)	\$	(64,680)
<b>Total</b>	<b>\$</b>	<b>(64,680)</b>
<b>% Change</b>		<b>-10.0%</b>
<b>Forestry Research - UGA</b>		
Total reductions (including furloughs and other cuts to personal services)	\$	(309,037)
<b>Total</b>	<b>\$</b>	<b>(309,037)</b>
<b>% Change</b>		<b>-9.9%</b>
<b>Georgia Radiation Therapy Center</b>		
No Change	\$	-
<b>Total</b>	<b>\$</b>	<b>-</b>
<b>% Change</b>		<b>0.0%</b>

<b>Georgia Tech Research Institute - GIT</b>		
	Reduce funding for operating expenses.	\$ (585,586)
	<b>Total</b>	<b>\$ (585,586)</b>
	<b>% Change</b>	<b>-8.4%</b>
<b>Marine Institute - UGA</b>		
	Total reductions (including furloughs and other cuts to operating and personal services)	\$ (83,331)
	<b>Total</b>	<b>\$ (83,331)</b>
	<b>% Change</b>	<b>-9.3%</b>
<b>Marine Resources Extension Center - UGA</b>		
	Total reductions (including furloughs and other cuts to personal services)	\$ (141,616)
	<b>Total</b>	<b>\$ (141,616)</b>
	<b>% Change</b>	<b>-9.7%</b>
<b>Medical College of Georgia Hospitals and Clinics - MCG</b>		
	Total reductions (including furloughs and other cuts to operating and personal services)	\$ (2,251,006)
	<b>Total</b>	<b>\$ (2,251,006)</b>
	<b>% Change</b>	<b>-6.6%</b>
<b>Public Libraries</b>		
	Reduce funds to reflect the adjustment in the employer share of the State Health Benefit Plan from 22.165% to 16.581% for September to November 2009, and from 22.165% to 20.618% from April to June 2010.	\$ (217,860)
	Total reductions (including furloughs and other cuts to operating and personal services)	\$ (3,521,477)
	<b>Total</b>	<b>\$ (3,739,337)</b>
	<b>% Change</b>	<b>-9.7%</b>
<b>Regents Central Office</b>		
	Reflect an adjustment in the Worker's Compensation premium.	\$ (281)
	Total reductions (including furloughs and other cuts to operating and personal services)	\$ (645,143)
	Reduce funding for the Southern Regional Education Board (SREB)	\$ (88,729)
	<b>Total</b>	<b>\$ (734,153)</b>
	<b>% Change</b>	<b>-10.8%</b>
<b>Skidaway Institute of Oceanography</b>		
	Reflect an adjustment in the Worker's Compensation premium.	\$ 8,331
	Total reductions (including furloughs and other cuts to operating and personal services)	\$ (153,500)
	<b>Total</b>	<b>\$ (145,169)</b>
	<b>% Change</b>	<b>-9.3%</b>
<b>Veterinary Medicine Experiment Station - UGA</b>		
	Total reductions (including furloughs and other cuts to operating and personal services)	\$ (296,867)
	<b>Total</b>	<b>\$ (296,867)</b>
	<b>% Change</b>	<b>-9.4%</b>
<b>Veterinary Medicine Teaching Hospital - UGA</b>		
	Total reductions (including furloughs and other cuts to operating and personal services)	\$ (54,722)
	<b>Total</b>	<b>\$ (54,722)</b>
	<b>% Change</b>	<b>-10.2%</b>
	Pass Through: Georgia Military College	\$ (366,972)
	Pass Through: Georgia Public Telecommunications Commission	\$ (1,719,495)
	Pass Through: Georgia Cancer Coalition	\$ (2,989,393)
	<b>Total change</b>	<b>\$ (174,764,845)</b>
	<b>Percent change</b>	<b>-8.04%</b>
	FY 2010 Original Budget (including federal stimulus)	\$ 2,172,971,990
	Changes for FY 2010	\$ (174,764,845)
	FY 2010 Amended Budget (including federal stimulus)	\$ 1,998,207,145

**University System of Georgia  
FY 2011 Budget Recommendations**

		Governor's Recommendation
<b>Teaching Program (Formula funds)</b>		
	<b>Formula funding for enrollment increase and M&amp;O for new space</b>	\$ 113,176,627
	Total reductions (including cuts to operating and personal services) at 12.5%	\$ (224,522,371)
	Offset reduction with federal stimulus funds to reduce total cut of 12.5% to 9.9%	\$ 47,587,262
	Physician Education Expansion	\$ 900,000
	TRS rate increase from 9.74% to 10.28%	\$ 8,121,461
	Transfer of Agrirama to ABAC	\$ 462,762
	Reduce one-time funding for (1) UGA Aquarium (\$1.4M); (2) CHARA (\$75K);	\$ (1,475,000)
	Adjustment for GTA	\$ 1,585
	Adjustment for workers' compensation premium	\$ 2,112,289
	<b>Total adjustment to formula funds</b>	<b>\$ (53,635,385)</b>
	<b>% Change</b>	<b>-3.0%</b>
<b>Special Funding Initiatives</b>		
	Reduce funding for personal services and operating expenses	\$ (4,575,752)
	Reduce funds to end the state's 5-year commitment to the Medical College of Georgia Mission Related SFI	\$ (5,000,000)
<b>Total</b>		<b>\$ (9,575,752)</b>
	<b>Total reduction (%)</b>	<b>-22.2%</b>
<b>Research Consortium</b>		
	Reduce funding for personal services and operating expenses in Advanced Communications program	\$ (776,152)
	Reduce funding for Georgia Research Alliance	\$ (3,914,850)
	Eliminate funding for vaccine collaboration grants- Georgia Research Alliance	\$ (1,600,000)
	Eliminated funding for the Food Industry Partnership Program	\$ (1,500,000)
	Eliminated funding for the Traditional Industries Program	\$ (1,593,654)
	Eliminated funding for the Bio-Refinery Program	\$ (200,000)
<b>Total</b>		<b>\$ (9,584,656)</b>
	<b>Total reduction (%)</b>	<b>-37.5%</b>
<b>Advanced Technology Development Center/Economic Development Institute - GIT</b>		
	Reduce funding for personal services and operating expenses (\$835,812) and eliminate funding for seed capital fun (\$2,500,000)	\$ (3,335,812)
	<b>Total</b>	<b>\$ (3,335,812)</b>
	<b>% Change</b>	<b>-28.3%</b>
<b>Agricultural Experiment Station - UGA</b>		
	Reduce funding for personal services and operating expenses.	\$ (3,736,816)
	<b>Total</b>	<b>\$ (3,736,816)</b>
	<b>% Change</b>	<b>-9.0%</b>
<b>Cooperative Extension Service - UGA</b>		
	Reduce funding for personal services and operating expenses.	\$ (3,148,348)
	Eliminate funding for the Vidalia Onion Research Project	\$ (200,000)
	<b>Total</b>	<b>\$ (3,348,348)</b>
	<b>% Change</b>	<b>-9.6%</b>
<b>Forestry Cooperative Extension - UGA</b>		
	Reduce funding for personal services and operating expenses.	\$ (57,923)
	<b>Total</b>	<b>\$ (57,923)</b>
	<b>% Change</b>	<b>-9.0%</b>
<b>Forestry Research - UGA</b>		
	Reduce funding for personal services and operating expenses.	\$ (281,851)
	<b>Total</b>	<b>\$ (281,851)</b>
	<b>% Change</b>	<b>-9.0%</b>
<b>Georgia Tech Research Institute - GIT</b>		
	Reduce funding for personal services and operating expenses.	\$ (627,939)
	<b>Total</b>	<b>\$ (627,939)</b>

		<b>% Change</b>	<b>-9.0%</b>
<b>Marine Institute - UGA</b>			
	Reduce funding for personal services and operating expenses.	\$	(80,247)
		<b>Total</b>	<b>\$ (80,247)</b>
		<b>% Change</b>	<b>-9.0%</b>
<b>Marine Resources Extension Center - UGA</b>			
	Reduce funding for personal services and operating expenses.	\$	(131,872)
		<b>Total</b>	<b>\$ (131,872)</b>
		<b>% Change</b>	<b>-9.0%</b>
<b>Medical College of Georgia Hospitals and Clinics - MCG</b>			
	Reduce funding for personal services and operating expenses.	\$	(2,055,919)
		<b>Total</b>	<b>\$ (2,055,919)</b>
		<b>% Change</b>	<b>-6.0%</b>
<b>Public Libraries</b>			
	Reduce funding for personal services and operating expenses.	\$	(3,466,624)
		<b>Total</b>	<b>\$ (3,466,624)</b>
		<b>% Change</b>	<b>-9.0%</b>
<b>Regents Central Office</b>			
	Increase funds to reflect an adjustment in the Worker's Compensation premium	\$	20,477
	Redistribute real estate rental budget for GBA manage office space to more accurately reflect revised square footage calculations.	\$	14,821
	Reduce funding for personal services and operating expenses.	\$	(723,396)
		<b>Total</b>	<b>\$ (688,098)</b>
		<b>% Change</b>	<b>-10.2%</b>
<b>Skidaway Institute of Oceanography</b>			
	Increase funds to reflect an adjustment in the Worker's Compensation premium	\$	4,729
	Reduce funding for personal services and operating expenses.	\$	(140,755)
		<b>Total</b>	<b>\$ (136,026)</b>
		<b>% Change</b>	<b>-8.7%</b>
<b>Veterinary Medicine Experiment Station - UGA</b>			
	Reduce funding for personal services and operating expenses.	\$	(284,004)
		<b>Total</b>	<b>\$ (284,004)</b>
		<b>% Change</b>	<b>-9.0%</b>
<b>Veterinary Medicine Teaching Hospital - UGA</b>			
	Reduce funding for personal services and operating expenses.	\$	(48,446)
		<b>Total</b>	<b>\$ (48,446)</b>
		<b>% Change</b>	<b>-9.0%</b>
Pass Through: Georgia Military College		\$	(224,211)
Pass Through: Georgia Public Telecommunications Commission		\$	(1,739,622)
Pass Through: Georgia Cancer Coalition		\$	(802,947)
<b>Total change</b>		<b>\$</b>	<b>(93,842,498)</b>
<b>Percent change</b>			<b>-4.32%</b>
FY 2010 Original Budget (including federal stimulus)		\$	2,172,971,990
Changes for FY 2011		\$	(93,842,498)
FY 2011 Original Budget (including federal stimulus)		\$	2,079,129,492

**Board of Regents of the University System of Georgia  
Capital Outlay - FY 2011**

<b>Project Category</b>	<b>FY 2011 request</b>	<b>Governor's Recommendation</b>
<b>Equipment Funds for Previous Projects:</b>		
College of Coastal Georgia - Health Sciences Building	\$ 1,500,000	\$ 1,500,000
Fort Valley University - Historic Renovations	\$ 1,500,000	\$ 1,500,000
Georgia Institute of Technology - G. Wayne Clough Undergrad Commons	\$ 7,000,000	\$ 7,000,000
Gainesville State College - Academic Facility	\$ 3,900,000	\$ 3,560,000
Macon State College - Teacher Education Building @ Macon	\$ 2,500,000	\$ 2,470,000
University of Georgia - Special Collections Library	\$ 3,300,000	\$ 3,050,000
Southern Polytechnic State Univer. - Engineering Technology Center	\$ 1,100,000	\$ 1,000,000
<b>Infrastructure:</b>		
Columbus State University - Computer Infrastructure	\$ 2,000,000	\$ 2,000,000
Georgia Institute of Technology - Eco Commons Area Infrastructure	\$ 4,500,000	\$ 4,500,000
<b>Construction Funds:</b>		
Armstrong Atlantic State University - Library Addition	\$ 14,300,000	\$ 14,300,000
Abraham Baldwin Agricultural Coll. - Historic Tift Lewis Herring Renovation	\$ 9,500,000	\$ -
Atlanta Metropolitan College - Science Academic Building	\$ 10,900,000	\$ -
Clayton State University - Science Building	\$ 29,100,000	\$ -
Darton College - Student Services Renovation	\$ 1,600,000	\$ -
East Georgia College - Biology Labs Renovation	\$ 700,000	\$ 640,000
Georgia Perimeter College - Academic Building Dunwoody	\$ 28,600,000	\$ -
Georgia Southern University - Biology Building	\$ 32,200,000	\$ -
Georgia SW State Univ. - Health & Human Sciences Building	\$ 14,100,000	\$ -
University of West Georgia - Nursing Building	\$ 16,900,000	\$ -
<b>Design &amp; Construction Funds:</b>		
College of Coastal Georgia - Science Building Renovation	\$ 5,900,000	\$ -
Dalton State College - Academic Building	\$ 17,800,000	\$ -
Georgia College & State University - Historic Ennis Hall Renovation	\$ 10,600,000	\$ -
Georgia Highlands College - Student Academic Center	\$ 19,900,000	\$ -
South Georgia College - Student Success Center Renovation	\$ 7,500,000	\$ -
Savannah State University - Marine Biology & Environmental Sciences	\$ 2,600,000	\$ -
Waycross College - Academic Addition	\$ 4,600,000	\$ -
<b>Design Funds:</b>		
Armstrong Atlantic State University - Regional Health Professions Center	\$ 900,000	\$ -
Albany State University - Ray Charles Fine Arts Center	\$ 1,800,000	\$ 1,800,000
Augusta State University - Wrightsboro Site Expansion	\$ 1,800,000	\$ -
Bainbridge College - Academic & Student Life Building	\$ 1,600,000	\$ -
Columbus State University - Classroom Laboratory Building	\$ 1,800,000	\$ -
Georgia Gwinnett College - Allied Health Building	\$ 2,000,000	\$ -
Georgia State University - Humanities Building	\$ 4,700,000	\$ -
Kennesaw State University - Education Classroom Facility	\$ 1,300,000	\$ -
Middle Georgia College - Health Sciences & Technology Building	\$ 700,000	\$ -
University of Georgia - Science Learning Center	\$ 3,200,000	\$ -
Valdosta State University - Health Sciences Building	\$ 2,800,000	\$ -
<b>Total USG Proposed GO Bonds</b>	<b>\$ 276,700,000</b>	<b>\$ 43,320,000</b>
<b>Other USG</b>		
University of Georgia- Design of Veterinary Medical Learning Center		\$ 7,700,000
<b>Major Repair and Renovation (MRR)</b>		
MRR Bond funds	\$ 75,000,000	\$ 60,000,000
<b>USG Capital Outlay Total</b>	<b>\$ 351,700,000</b>	<b>\$ 111,020,000</b>

Georgia Research Alliance	\$ 10,000,000		\$ 10,000,000
<b>Georgia Public Libraries</b>			
Cental Library (Gwinnett County)	\$ 2,000,000		\$ -
Perry Public Library (Houston County)	\$ 1,600,000		\$ -
LaFayette-Walker County Public Library	\$ 2,000,000		\$ -
Central Library (Fulton County)	\$ 2,000,000		\$ -
Royston Public Library (Franklin County)	\$ 1,268,214		\$ -
Lumpkin County Library	\$ 2,000,000		\$ -
Madison County Public Library	\$ 1,517,200		\$ -
Charlton County Public Library	\$ 561,167		\$ -
Milner Public Library (Lamar County)	\$ 783,333		\$ -
Butler Public Library (Taylor County)	\$ 1,195,240		\$ -
Northwest Public Library (Dougherty County)	\$ 2,000,000		\$ -
Duluth Branch Library (Gwinnett County)	\$ 2,000,000		\$ -
Merchant's Walk Library (Cobb County)	\$ 2,000,000		\$ -
WH Stanton Memorial (Walton County)	\$ 2,000,000		\$ -
Pickens County Library	\$ 2,000,000		\$ -
Islands Branch Library (Chatham County)	\$ 2,000,000		\$ -
Dawson County Branch Library	\$ 2,000,000		\$ -
Milton Branch (Fulton County)	\$ 2,000,000		\$ -
<b>Total Bond Projects</b>	<b>\$ 392,625,154</b>		<b>\$ 121,020,000</b>