



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

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January 14, 2022

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

Dear Regents:

Yesterday, Governor Brian Kemp released his recommendations for the amended FY 2023 and FY 2024 budgets. The Governor's budget contains several items that will be addressed below.

The Governor is recommending \$87.3 million in the FY24 budget to support \$2,000 pay increases for all state funded, full-time, benefit eligible employees. As a reminder, the State provided a \$5,000 pay increase for all state funded, full-time employees in FY23. These increases help the USG in retaining our hard-working faculty and staff, however, the funding included in the budget only supports state funded employees. We have approximately 15,000 employees that are funded by other sources of revenue to include federal grants, sales and services and student and other fees. These pay increases will add additional costs to the other funds (i.e. housing and dining operations, health centers, grants, etc.).

The capital portion of the budget includes bond funding for equipment for three projects, four new construction projects, design funding for six projects, and eight small capital projects. As a reminder, funding for Major Repair and Rehabilitation (MRR) projects was provided in FY23 as a cash appropriation. This funding has been carried into the FY24 Governor's recommendation.

Full details are included in the attached file. A description of a few key recommendations are noted below:

Amended Fiscal Year 2023:

The Governor's recommendations include:

- \$105 million for MCG Hospitals and Clinics for electronic medical records

Fiscal Year 2024 Operating Budget:

The Governor's recommendations include:

- \$87.3 million increase for \$2,000 cost of living salary adjustments
- \$9.8 million in new formula funding for enrollment growth and new space
- \$18.0 million in funds for increased employer health premiums
- \$13.3 million for DOAS insurance

FY 2024 Capital Budget:

The Governor's bond package authorizes \$599 million in capital projects across the state. Of this, \$113.37 million is for projects within the Board of Regents budget. The capital tracking sheet is attached. As in prior years, we expect the House and Senate will add projects.

Attached is the complete summary of the FY 2024 operating and capital recommendations and the FY 2023 Amended operating budget recommendations. Additionally, attached are details of the capital request by project.

The Chancellor will appear before the Joint Appropriations Committee on Wednesday, January 18th at 9:30 AM to discuss the Amended FY 2023 and FY 2024 budget recommendations. He will also discuss the budget in more detail at the upcoming Board meeting.

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

Sincerely,



Tracey Cook

CC: Sonny Perdue, Chancellor
USG Presidents
USG Chief Business Officers
USG Chief Academic Officers

**Board of Regents
University System of Georgia
Amended Fiscal Year 2023 Operating Budget Changes**

FY 2023 Original Budget	\$ 3,119,200,668	
	<u>Request</u>	<u>Governor's Recommendation</u>
Formula Increase		
Reduce funds to correction Georgia Tech credit hours	\$0	(2,757,872)
FVSU Land Grant match (Transfer from B Units)		540,159
B Units:		
MCG Hospitals and Clinics - Electronic medical records		105,000,000
Ag Exp Stattion - FVSU Land Grant Match (Transfer to Teaching Program)		(378,752)
Coop Exten Service - FVSU Land Grant Match (Transfer to Teaching Program)		(161,407)
Eliminate funds for Georgia Aviation Hall of Fame (Middle Georgia State Univ)		(92,500)
Eliminate funds for music industry archiving (University of Georgia)		(2,600,000)
Net Change to Amended FY23 for USG	\$0	\$99,549,628
 Pass-Through Organizations:		
Georgia Commission on the Holocaust		
Georgia Military College		125,730
Georgia Public Telecommunications Commission		
 Net Change to Amended FY23	\$0	\$99,675,358
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FY23 Amended Operating Budget	\$3,119,200,668	\$3,218,876,026

Board of Regents
University System of Georgia
Fiscal Year 2024 Operating Budget Changes

FY23 Original Budget

\$3,119,200,668

	Request	Governor's Rec.
Formula Increase Request (Teaching Program)		
Increase funds for \$2,000 cost of living adjustments		82,655,144
Enrollment growth	\$7,568,313	7,576,201
Maintenance and operations	2,313,043	2,313,043
Health insurance and retiree health and life benefits	17,106,681	17,106,681
AU/UGA Medical Partnership expansion start-up funds	(2,447,480)	(2,447,480)
Department of Administrative Services insurance		13,303,671
FVSU Land Grant match (Transfer from B Units)		540,159

Subtotal Formula Increase

24,540,557

121,047,419

B Units:

B-Units – Increase funds for \$2,000 cost of living adjustment		\$4,719,876
B-Units - Health insurance and retiree health and life benefits	893,319	893,319
Department of Administrative Services insurance		(44,274)
Georgia Public Libraries - formula increase for population and materials	59,625	59,625
Georgia Research Alliance - Remove one-time funds for a GRA Eminent Scholar and one-time funds for equipment and research and development infrastructure		(1,250,000)
SFI: Increase funds for Next Gen Battery Lab (Georgia Tech)		500,000
Ag Exp Station - FVSU Land Grant Match (Transfer to Teaching Program)		(378,752)
Coop Exten Service - FVSU Land Grant Match (Transfer to Teaching Program)		(161,407)
Eliminate funds for Georgia Aviation Hall of Fame (Middle Georgia State Univ)		(92,500)
Eliminate funds for music industry archiving (University of Georgia)		(2,600,000)

Subtotal Other Items

\$952,944

\$1,645,887

Total FY 2024 Increase for USG

\$25,493,501

\$122,693,306

Pass-Through Organizations:

Georgia Commission on the Holocaust		9,499
Georgia Military College		1,008,312
Georgia Public Telecommunications Commission		244,105

Total Agency FY 2024 Increase

\$25,493,501

\$123,955,222

FY24 Operating Budget

\$3,144,694,169

\$3,243,155,890

New Addition

Board of Regents

University System of Georgia

Fiscal Year 2024 Capital Budget

	<u>Request</u>	<u>Governor's Rec.</u>
Capital Outlay: Equipment		
Georgia Gwinnett College - Gateway Building and Infrastructure	\$ 3,700,000	\$ 3,700,000
University of Georgia - Science and Ag Hill Modernization, Phase I	6,200,000	6,200,000
University of North Georgia - Cumming Academic Building	1,300,000	1,300,000
Equipment Subtotal	\$ 11,200,000	\$ 11,200,000
Capital Outlay: Construction		
Fort Valley State University - Bywaters, Founders, and Lyons Renovations	16,800,000	16,800,000
Georgia State University - Research Tower	49,900,000	16,635,000
Kennesaw State University - Interdisciplinary STEM Building	41,200,000	13,735,000
University of Georgia - Science and Ag Hill Modernization, Phase II	29,800,000	29,800,000
Construction Subtotal	\$ 137,700,000	\$ 76,970,000
Capital Outlay: Design		
Albany State University - Billy C. Black Building Renovation	800,000	800,000
College of Coastal Georgia - Nursing and Health Science Addition	1,400,000	1,400,000
Georgia College & State University - Herty Hall Renovation	1,900,000	0
Middle Georgia State University - Eastman Campus Expansion	1,900,000	0
University of North Georgia - Military Leadership Center Expansion	1,300,000	0
University of West Georgia - Pafford Building Renovation	1,800,000	0
Design Subtotal	\$ 9,100,000	\$ 2,200,000
Capital Outlay: Small Capital Projects		
Atlanta Metropolitan State College - Library Renovations for Student Support	2,500,000	0
Columbus State University - Synovus Commerce and Technology Building Envelope Renewal	8,200,000	0
Dalton State College - Roberts Library Renovation	5,000,000	0
East Georgia State College - Campus Infrastructure and Building Envelope Renewal	3,000,000	3,000,000
Georgia Highlands College - Campus Exterior Relighting	1,800,000	0
Georgia Southwestern State University - Carter Library Renovation	5,000,000	5,000,000
Middle Georgia State University - Aviation Equipment	5,700,000	0
University of Georgia - Poultry Science Complex, Renovation Phase I	5,000,000	5,000,000
Small Capital Subtotal	\$ 36,200,000	\$ 13,000,000

Board of Regents
University System of Georgia
Fiscal Year 2024 Capital Budget

	<u>Request</u>	<u>Governor's Rec.</u>
Total FY 2024 Capital Request for USG Institutions	\$ 194,200,000	\$ 103,370,000
<u>Georgia Research Alliance</u>		
Equipment and R&D Infrastructure	\$ 5,000,000	\$ 5,000,000
<u>Georgia Public Libraries</u>		
Major Repair & Renovation	3,000,000	3,000,000
Technology Grants	2,000,000	2,000,000
Georgia Public Libraries Total	\$ 5,000,000	\$ 5,000,000
Total FY 2024 Board of Regents Capital Budget	\$ 204,200,000	\$ 113,370,000