

## **Special Budget Message from President Leland on Formula Funding, Tuition, and Fee Changes for Fiscal Year 2010**

In my last budget update, I shared the good news that the fiscal year 2010 state budget approved by the Georgia General Assembly included the university's strategic funding initiative (SFI), which currently supports 21 faculty positions.

Today, I am writing to share additional information that follows decisions reached by the Board of Regents on Tuesday (4/14), including those that specifically affect formula funding, student tuition, and student fees for Georgia College.

Overall, the Regents voted to approve a FY 2010 budget of \$2.17 billion for the entire USG system, which includes \$92.6 million in federal stimulus funds. Still, this represents a reduction of \$127.7 million from the FY 2009 USG budget.

### **FY 2010 Formula Funds**

As part of Tuesday's actions, the Board of Regents approved a formula funding increase of **\$2,012,003** for Georgia College. This increase mostly represents earnings for our growth in Full-Time Enrollment (FTE) achieved two years ago

While this additional formula funding is good news, it must be tempered by some sobering facts:

- o The **10.2%** budget reduction sustained by the university this year is permanent;
- o An additional **1.4%** budget reduction will occur at the beginning the fiscal year on July 1st, with the possibility that even more cuts will be applied after that date;
- o This brings our total budget reduction to **11.6%** or approximately **\$4,223,256**.

In addition, no funds have been allocated to support new merit raises for faculty and staff. However, funds were allocated to continue funding the merit raises awarded in January of this year.

Fortunately, any immediate need to sustain even deeper cuts, which would bring the total reduction to 16%, has been forestalled by the addition of federal stimulus dollars to the University System's budget. But this also means that we must plan now for the loss of these additional dollars to our budget base when these federal funds are phased out over the next one to two years.

### **Tuition**

Due to the impact of the recession on operating budgets, the Regents also found it necessary to have students share some of the financial burden faced by its institutions, resulting in several critical decisions with respect to tuition and fees.

The "**Fixed-for-Four**" tuition plan will be honored for students already in the program, including rising sophomores, rising juniors, and rising seniors. However, the program will be discontinued for incoming freshmen. For these students, the per-credit-hour tuition will remain the same as last year's rate for incoming freshmen.

The Board also adopted a new definition of full-time undergraduate student, changing the current 12 credit hours to 15 credit hours. This means that students will now be charged for the 13th, 14th, and 15th credit hours if they register for them. This change in policy will apply only to students who are not on the fixed-for-four plan.

### **Special Institutional Fee**

Additionally, the Board authorized a “special institutional fee” of **\$100 per semester** for all Georgia College students. This fee is to be used to support the university’s operating budget. Unfortunately, the fee is not HOPE eligible, but it is considered to be temporary for fiscal year 2010.

### **Mandatory Student Fee Increases**

Increases in Mandatory Student Fee were also approved by the Regents, and will change as follows:

<u>Fee Description</u>	<u>Old Rate</u>	<u>New Rate</u>
<b>Student Activity Fee:</b>	<b>\$111</b>	<b>\$118</b>
<b>Health Fee:</b>	<b>\$78</b>	<b>\$85</b>
<b>Technology Fee:</b>	<b>\$65</b>	<b>\$68</b>
<b>Parking &amp; Transportation Fee:</b>	<b>\$50</b>	<b>\$64</b>
<b>Athletic Fee:</b>	<b>\$153</b>	<b>\$165</b>

These fee increases are less than the increases approved by the university’s mandatory student fee committee. In addition, several new fees endorsed by that committee were not approved by the Regents. These included a Green Campus fee and a temporary fee to support architectural planning for the proposed recreational/wellness facility on West Campus.

### **Next Steps**

During the next few weeks, we will carefully analyze our budget situation for the upcoming fiscal year and beyond. We will also prepare detailed information for our students about the tuition and fee structure that has been approved by the Board of Regents.

I appreciate your good efforts to maintain our instructional quality and student support services during these challenging times. Although next year will clearly continue to financially challenge both the university and its students, I know that together we will find ways to maintain the educational environment and spirit of community that makes Georgia College such a special place to work, teach and learn.

Thank you.

President Leland