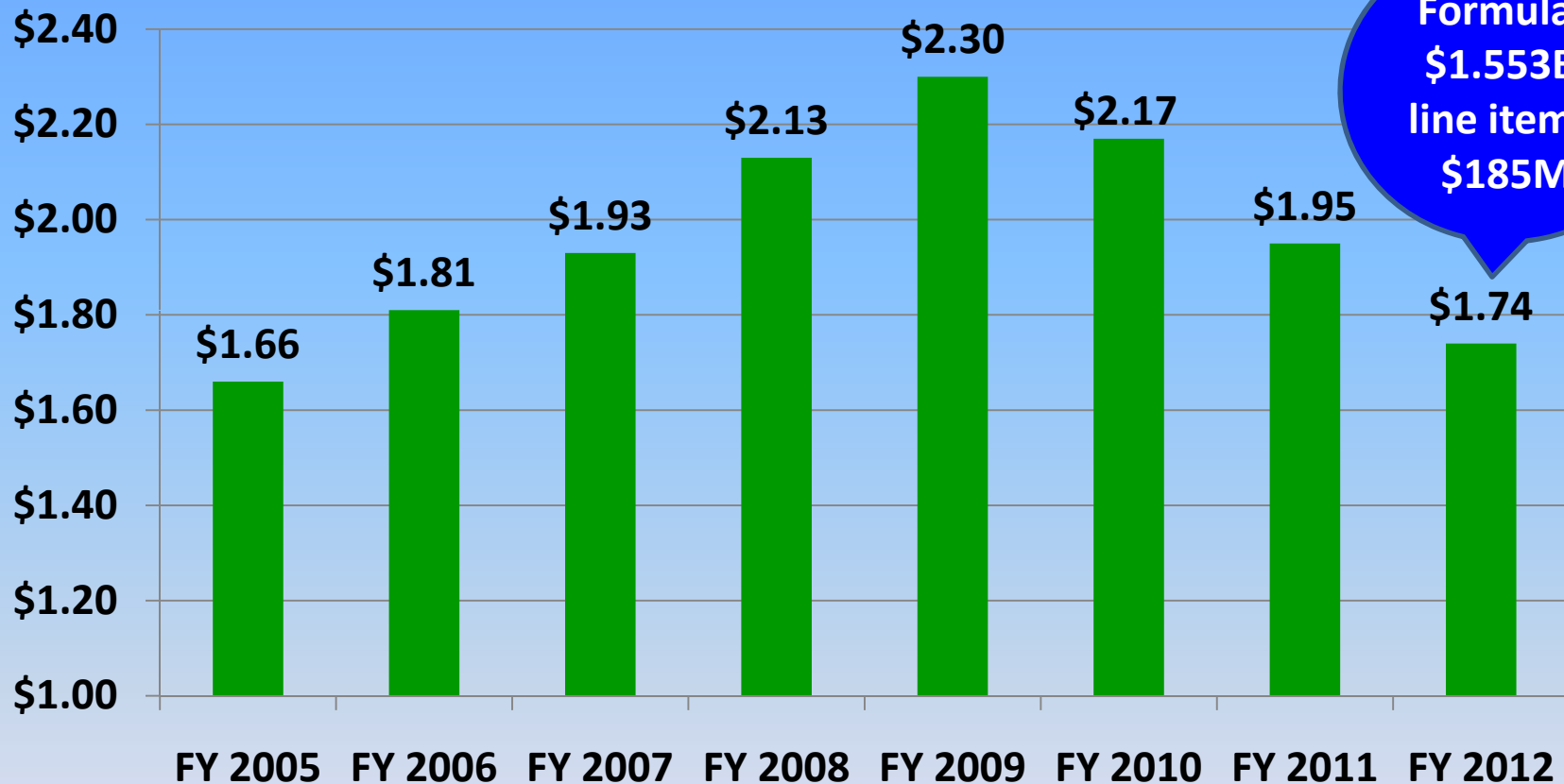


University System of Georgia



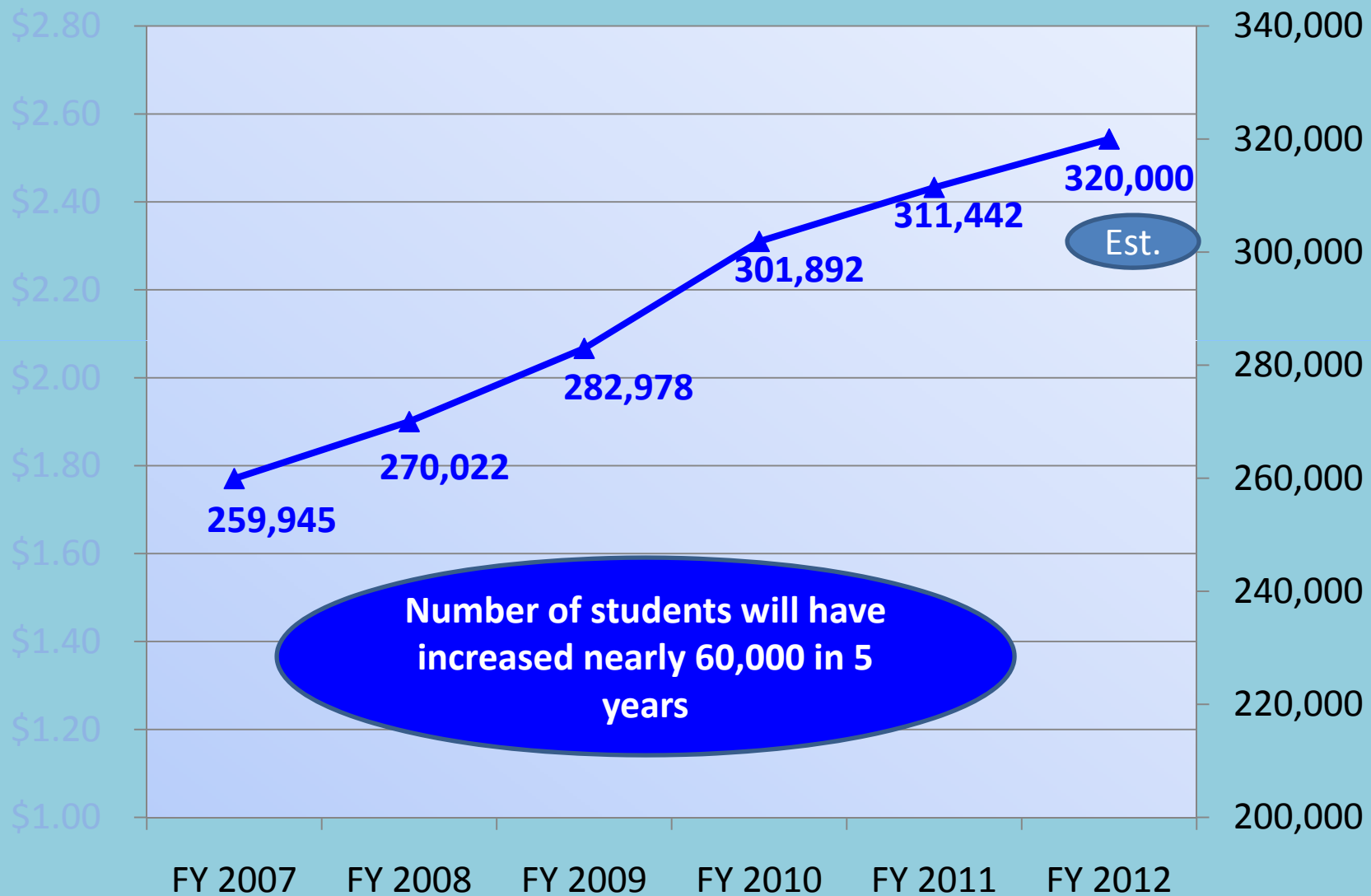
Fiscal Year 2012 Budget, Tuition & Fee Recommendations

State funding is declining...

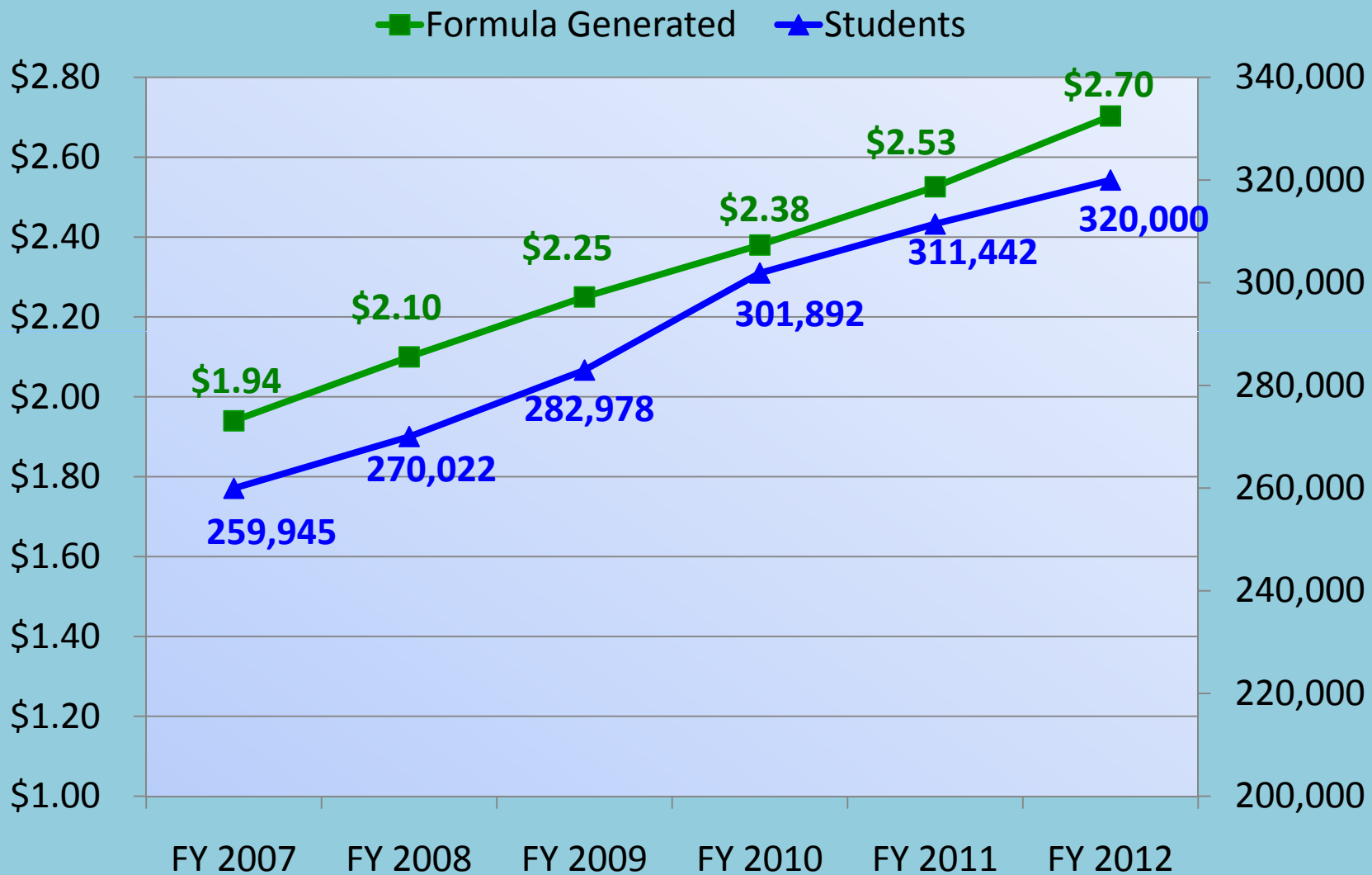


Total State funds lowest since FY 2005

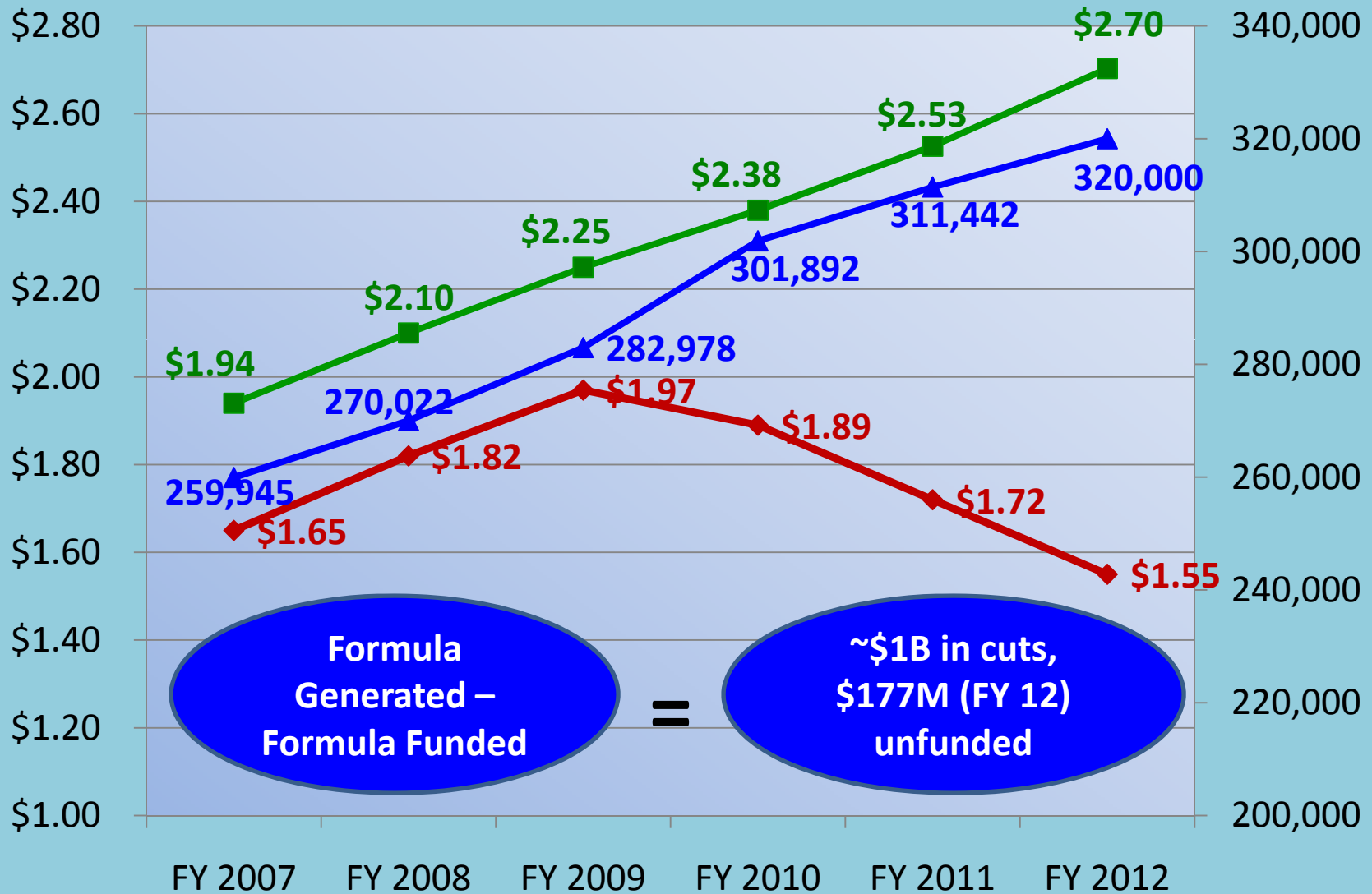
Students are Enrolling in Greater Numbers...



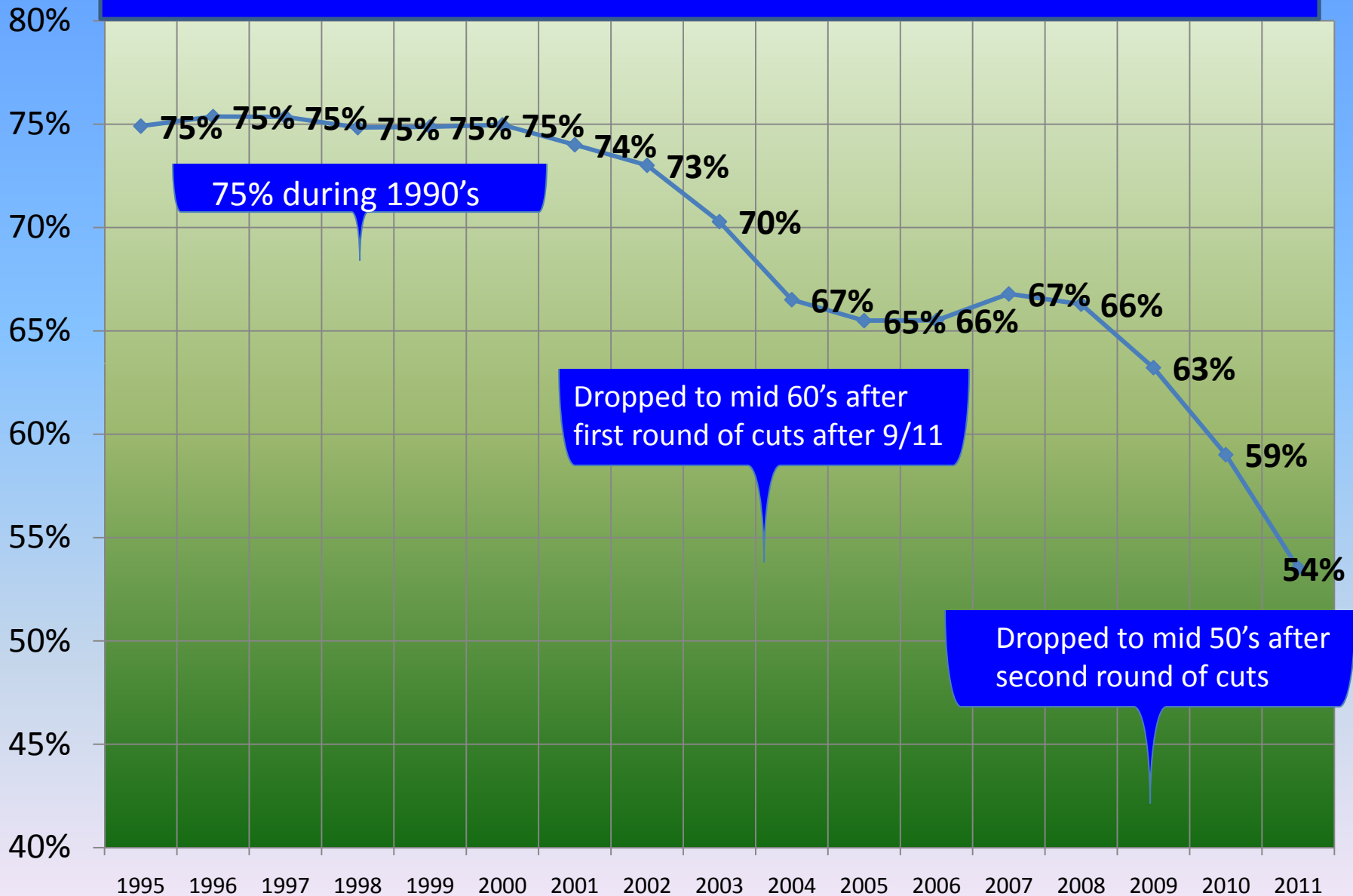
And the Funding Formula Recognizes the Cost of Increased Student Enrollment...



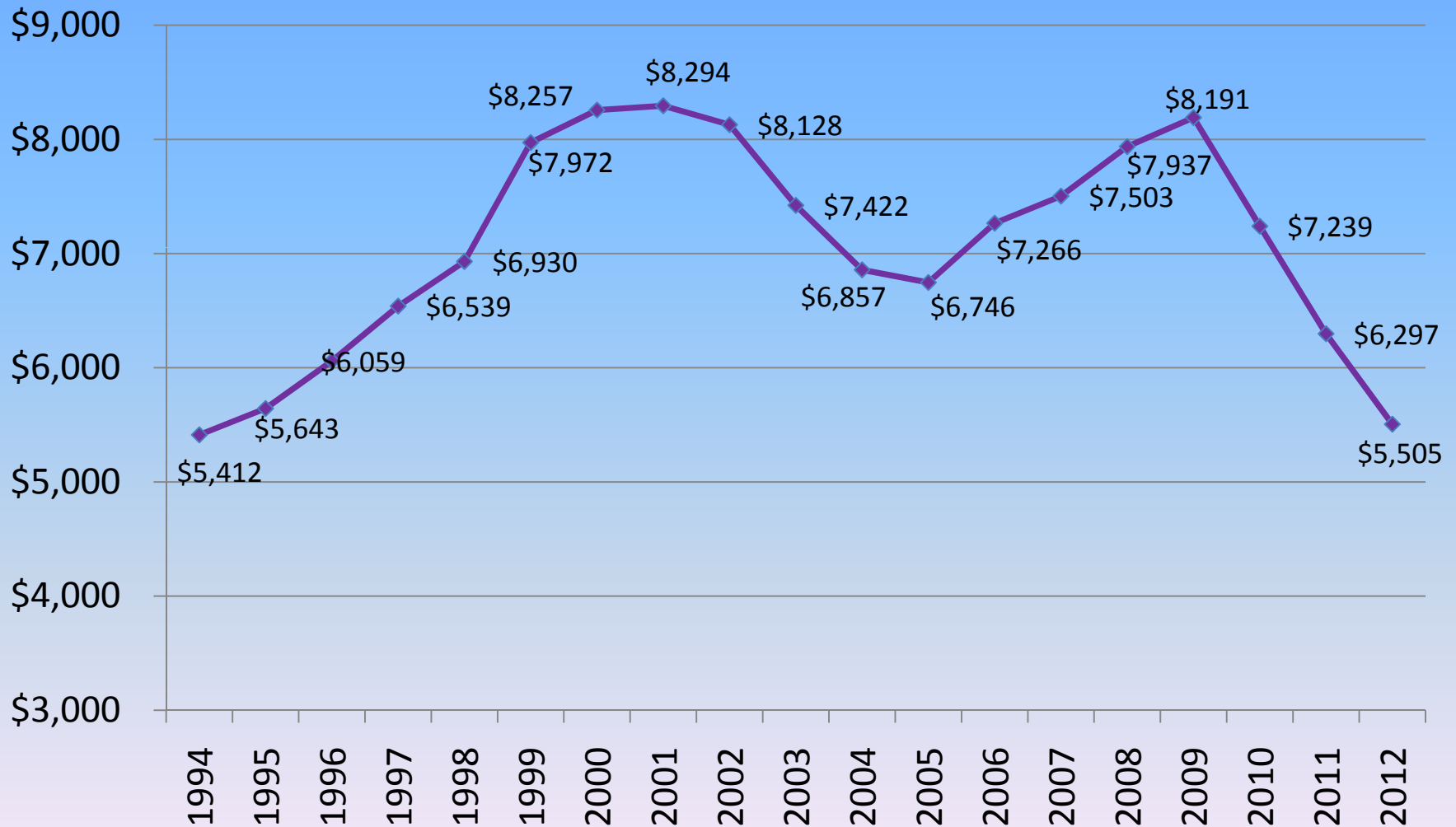
With Reductions, the funding gap is getting wider..



State Share of Funding is Decreasing...



State Funding per FTE student is the lowest since 1994



**FY 2012 State Funds: \$1.74B;
Down from \$1.95B in FY 2011**

Formula Funds: \$1.553B

FY 2011 Original

\$1 .722B

FY 2012 Original

\$1 .553B

Net Reduction

(\$169M)

**\$146M in State
Funds, \$23M
stimulus**

Line Items: \$185.1M

FY 2011 Original

\$224.5M

FY 2012 Original

\$185.1M

Net reduction

(\$39.4M)

FY 2012 Allocations

- FY 12 Formula request of \$177M not funded.
- Reductions pro-rated based on institution's share of formula funds, $\$145.9\text{M} + \$6.1\text{M} = \$152\text{M}$.
- Other Adjustments.

The Funding Gap Widens in FY 2012

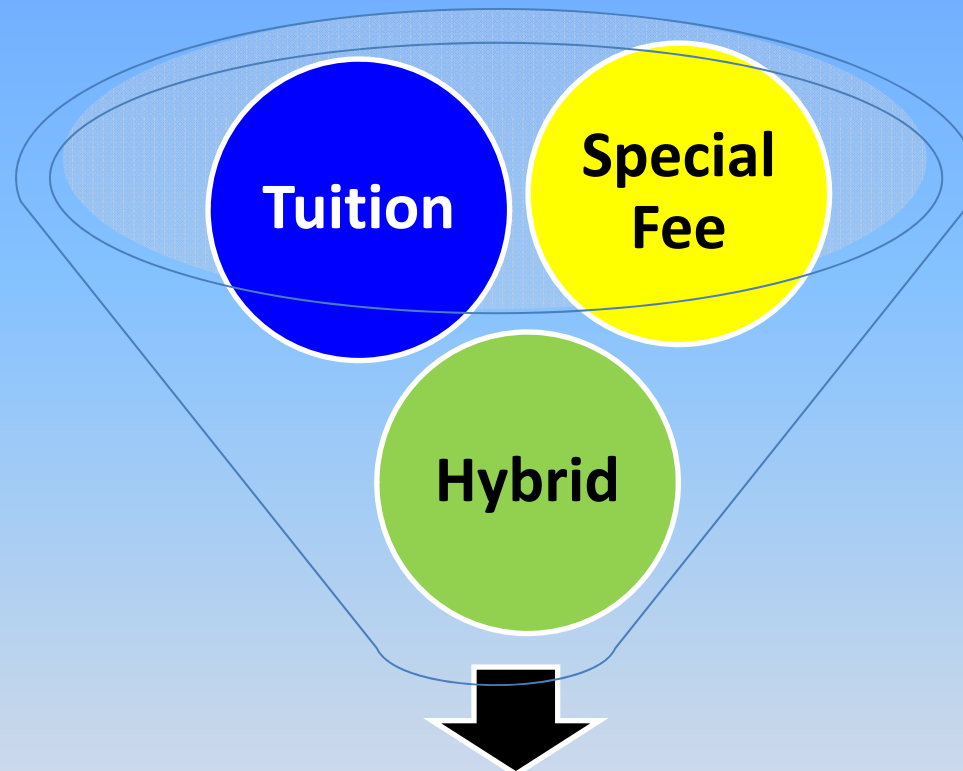
Total reduction from FY 2011 Base:	(\$146M)
Total unfunded formula increase:	(\$177M)
Loss of Stimulus Funds:	<u>(\$ 23M)</u>
Total	<u>(\$346M)</u>

If we were to cover the entire FY 2012 gap with tuition increases, it would take an impossible 35% increase in tuition...

Institutions Are Taking Deep Cuts...

- Increasing efficiency and productivity
- Eliminating low enrollment programs
- Eliminating positions
- Increasing class size
- Increasing part-time faculty
- Increasing deferred maintenance
- Voluntary retirement plans
- Reducing library holdings
- Reducing operating expenditures

What are we trying to achieve?



- 1. Keep increase to a single digit (weighted avg.)**
- 2. Stay close to 90%...for HOPE students.**
- 3. Maintain academic excellence at institutions.**

How do we get there?

Tuition Increase

3% Tuition Increase at all 35 institutions:

\$106 at research universities
\$64 at comprehensive universities
\$41 at state colleges
\$36 at two-year colleges

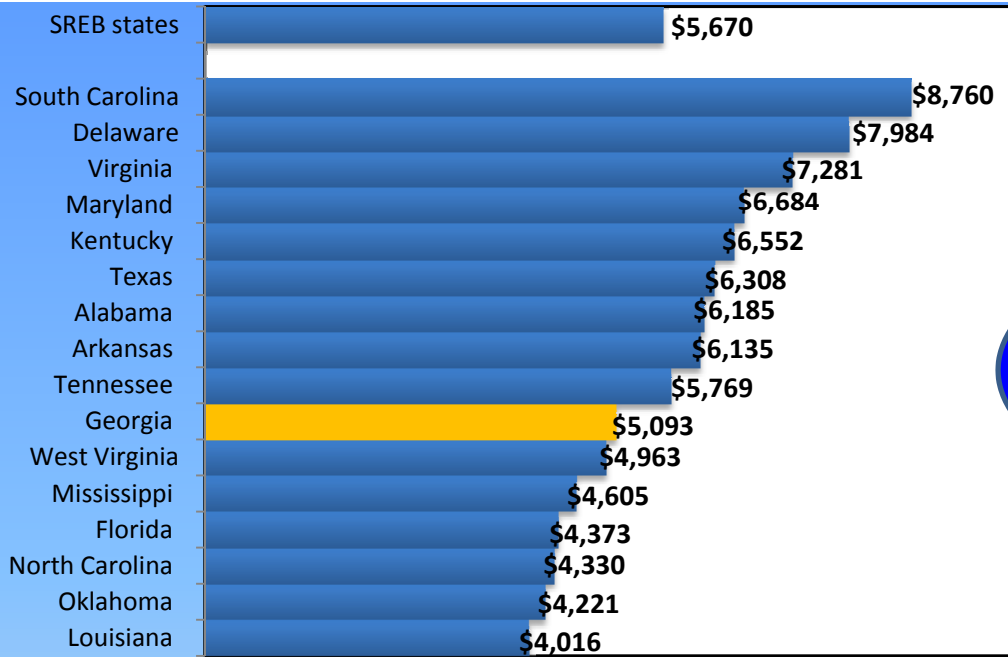
Per Semester

Special Fee Increase

\$100 increase at 29 institutions
\$150 increase at GA Gwinnett & Coastal GA.
\$250 increase at research universities
\$350 increase at Georgia Tech

Per Semester

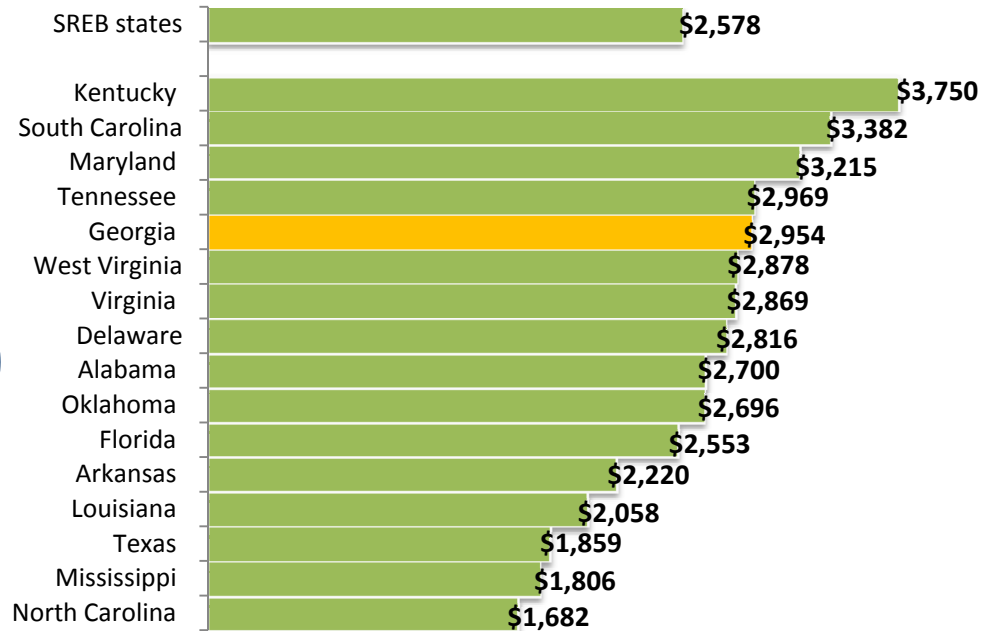
Overall Weighted Average Increase: 9%
HOPE will pay 87.4% of FY 2012 Tuition (90% of FY 11 rates)



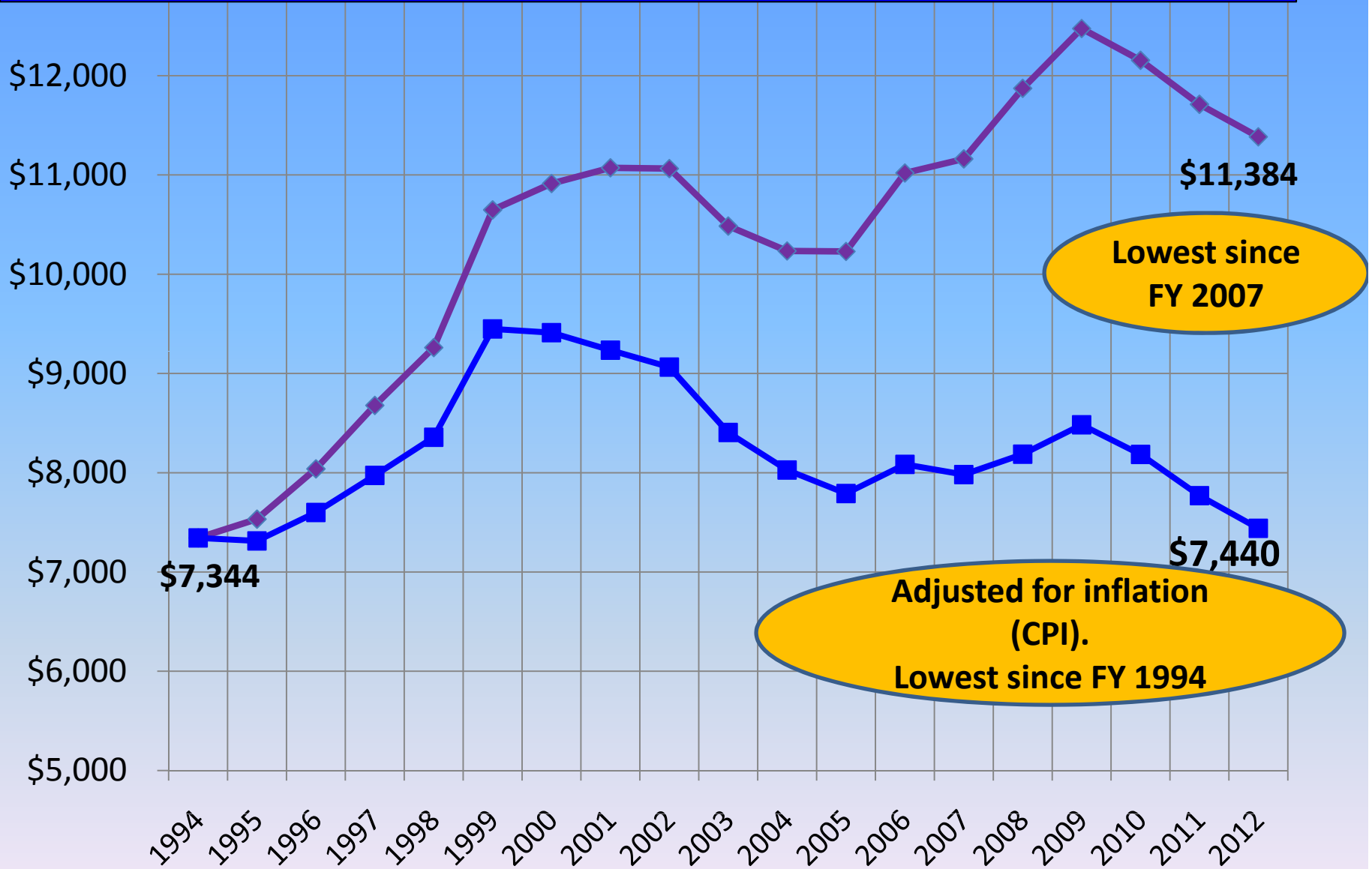
Georgia's tuition is a bargain...

4-year institutions
 Georgia ranks 10 of 16 states in the SREB in annual tuition and fees (FY 2010). Below the SREB median.

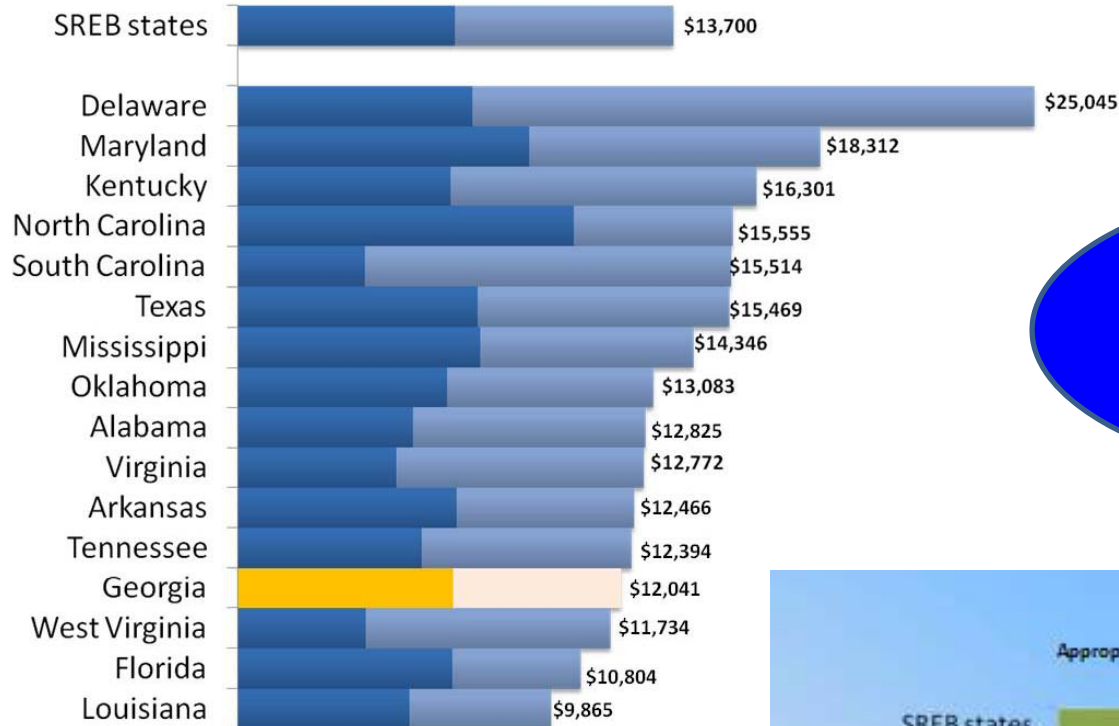
2-year colleges
 Georgia ranks 5 of 16 states in the SREB in annual tuition and fees (FY 2010). Above the SREB median.



Total Funding per FTE student: State funding, Tuition and Special Institutional Fee Revenue



Total funding is low...



4-year institutions

Georgia ranks in the bottom quartile in state and tuition funding per student. Below the SREB median.

2-year colleges

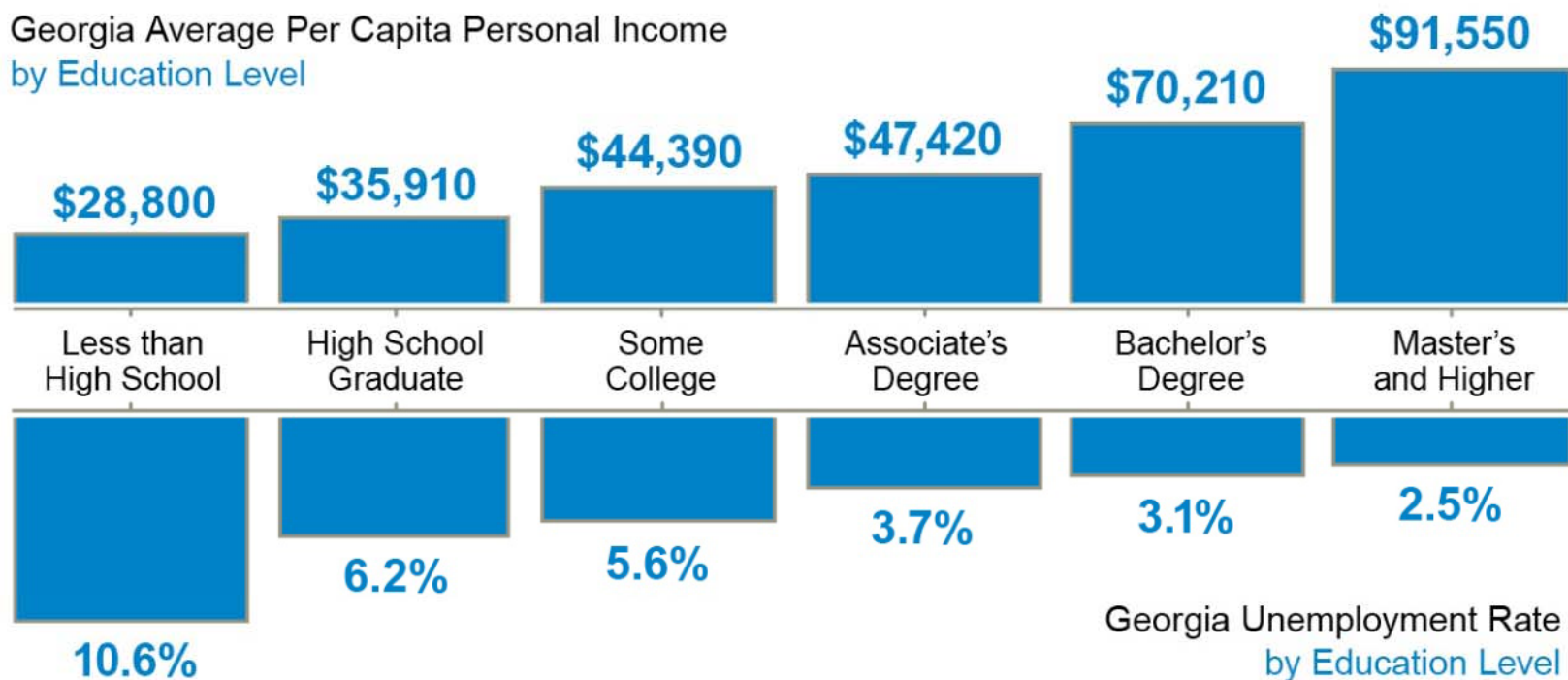
Georgia ranks in the bottom quartile in state and tuition funding per student. Below the SREB median.

Public Two-Year Colleges and Universities
Appropriations and Tuition/Fees Revenues per FTE Student, 2009-10



The more you learn, the more you earn.

Georgia Average Per Capita Personal Income
by Education Level



Source: U.S. Census Bureau American Community Survey 2005-07. Includes total income from all sources for adults age 25-64, working full time. Unemployment rates for adults age 25-64.

Actions

- FY 2012 Budget Allocations (Appendix IB)
- FY 2012 Tuition Rates (Appendix II)
- FY 2012 Mandatory Fees (Appendix III)
- FY 2012 Elective Fees (Page 11, Agenda)
- FY 2011 Amended Budget (Appendix ID)

University System of Georgia



Fiscal Year 2012 Budget, Tuition & Fee Recommendations