



LEGISLATIVE UPDATE

A Briefing for Faculty & Staff of the University System of Georgia No. 8, March 2, 2010

“Creating a More Educated Georgia”

Chancellor Provides Budget-Reduction Information to House/Senate Subcommittees

Late yesterday, University System of Georgia (USG) officials delivered to state legislators a lengthy document outlining what an additional budget reduction of \$300 million to the System’s Fiscal Year 2011 budget – on top of \$265 million in reductions recommended by Gov. Sonny Perdue – would mean to USG students, faculty and staff.

Reduced course offerings, the capping of enrollment, the elimination of academic and non-credit programs and faculty/staff jobs and the closing of satellite campuses and off-campus centers are among the grim scenarios offered.

In response to a request from legislators, the leadership of the University System Office (USO) and 35 USG campuses worked through the weekend to shape the report. This document and related materials were shared with the chairmen of the House and

Senate Appropriations Higher Education Subcommittees, **Rep. Earl Ehrhart** and **Sen. Seth Harp**, on Monday.

“These plans should be viewed as informational and not as recommendations for several reasons,” said **Chancellor Erroll B. Davis Jr.** in a letter that accompanied the requested document.

“First, we continue to hope that it will not be necessary to reduce the budget of the University System by an additional \$300 million,” he said.

“Second, we strongly believe that cuts of this nature, if implemented, would severely compromise our ability to provide the educated populace that is necessary for the continued success of this state.

“Third, the University System, of course, does not make budget recommendations directly to the legislature. And fourth, the Board of Regents will make the final decisions about budget actions by the 35 college

and universities once it receives the FY 2011 appropriation from the General Assembly.”

He added that the Board of Regents has neither reviewed nor approved the budget scenarios presented to legislators.

“The attached institutional information, then, is simply an attempt to be as clear as possible about what an additional, targeted budget reduction of \$300 million would mean to the students, faculty, and staff of the University System and to the State as a whole,” Davis wrote.

“Such a reduction would dramatically and negatively alter a University System in which the people of this state have invested so much; a reduction of this size is not in the best interest of Georgia and its future economic development.”

The budget writers will use the ideas USG officials submitted to guide them in making decisions towards bal-

ancing the budget for the coming year, which must pass the House of Representatives and the Senate before it is approved at the end of the legislative session (usually sometime in April). **Gov. Perdue** will have an opportunity to veto specific budget items before he signs this bill into law, at which point the USG will know for sure what its FY 2011 appropriations amount to. Only then will any budget cuts be final and actionable.

At last Wednesday’s joint hearing, legislators told the chancellor, “We have got to cut another \$200 million to \$300 million out of your budget [beyond the \$265 million in reductions contained in the Governor’s FY 2011 budget recommendations].” Please, prioritize where those cuts will come or we will have no choice but to do it blindly.”

Davis charged the 35 USG presidents with producing a list of addi-

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tional, targeted budget reductions of \$300 million. In order to avoid artificial scenarios, the presidents were specifically instructed not to come forward with any actions that they were not prepared to implement. They were also instructed not to assume that they would be receiving any formula funds to cover enrollment increases or to assume that tuition increases will take care of any budget shortfalls.

A summary of the resulting information presented to the legislature shows that further reducing the budget of the University System by \$300 million will have a drastic impact on the System. For example:

- ◆ The *University of Georgia, Georgia Tech, Georgia State University, Clayton State University, Southern Polytechnic State University, Dalton State College, Georgia Gwinnett College, Macon State College* and others would have to cap or roll back enrollment.
- ◆ There would be approximately 4,000

additional layoffs across the University System, including 1,418 at UGA, 452 at Georgia Tech, 622 at Georgia State, 63 at the *Medical College of Georgia*, 207 at *Georgia Southern University*, 52 at *Augusta State University*, 44 at *Columbus State University*, 18 at *Georgia Southwestern State University*, 224 at *Kennesaw State University*, 45 at Southern Poly, 142 at the *University of West Georgia* and 50 at *Georgia Perimeter College*, to name a few institutions.

- ◆ Some USG institutions would need to lay off tenured professors, and this would require a declaration of financial exigency by the Board of Regents, somewhat equivalent to a declaration of bankruptcy in the business sector.
- ◆ Some branch campuses, satellite locations, or off-campus centers would have to be scaled back, closed, or not opened, including those in Griffin, Brookhaven, Moultrie, Liberty County, Dalton, Douglasville,

Paulding County, Kings Bay and Peachtree City.

- ◆ Several dozen academic programs would be eliminated, including a number of high-cost programs, such as nursing and dental hygiene at some institutions.
- ◆ Service outreach to business and local communities would be significantly reduced. For example, UGA would have to eliminate 4H programs and close half of the county extension offices, and Georgia Tech could lose research funding of \$60 to \$100 million and would close four regional offices. Several institutions would close their continuing education departments.

“None of us wants to take the kinds of actions described above,” Davis concluded in his letter to the legislators. “We all want to preserve the University System for the next generation of Georgia students.”

“We also know that the General Assembly must pass a balanced budget, which, for FY 2011, requires some

To view the Chancellor’s letter to the chairmen of the House and Senate Appropriations Higher Education subcommittees, an executive summary of the USG’s proposed reductions and an overall summary of proposed USG institutional reductions, [CLICK HERE](#).

extremely difficult choices on your part,” the chancellor wrote. “We do not envy you this task. We hope that you can find a way to meet your responsibility to pass a balanced budget while still supporting the strong legacy of the University System and preserving the investment that taxpayers have made in building the University System to the level it is today.”

The chancellor and other USG officials will appear at a follow-up hearing before the joint House/Senate subcommittees tomorrow (Wednesday) at 8 a.m. at the state Capitol. 🏛️