

## Overview: 2017 Fiscal Year Budget for Higher Education

By Claire Suggs, Senior Education Policy Analyst

Gov. Nathan Deal's proposed budget of \$2.47 billion for the state's two postsecondary systems includes money intended to help increase faculty salaries, which trail those of competing neighbor states. Still, state spending per student in the university system remains far below earlier years, continuing the financial pressures that yielded tuition hikes in recent years.

### By the Numbers

Amended 2016 Fiscal Year Budget

- Adds \$413,797 for the Cordele Center at Darton State University to account for higher than expected enrollment growth
- Funding for technical college system remains largely the same

2017 Fiscal Year Budget

Proposed funding for the University System of Georgia is \$100.6 million more than the current budget.

- \$59.8 million added for statewide merit pay and recruitment and retention salary adjustments for state employees
- \$43.5 million added for enrollment growth and operating costs
- Spending reduced by about \$3.5 million through a cut in special funds for Georgia Gwinnett College, a transfer of funds for physician residencies to the Department of Community Health and an adjustment in agency premiums for the system's self-insurance program

Total spending for the technical college system increases \$11.4 million, including:

- \$8.8 million for statewide merit pay and recruitment and retention salary adjustments for technical college employees
- \$891,484 for greater operating costs in the technical education program
- About \$1.2 million for equipment at the Military Academic and Training Center in Warner Robins

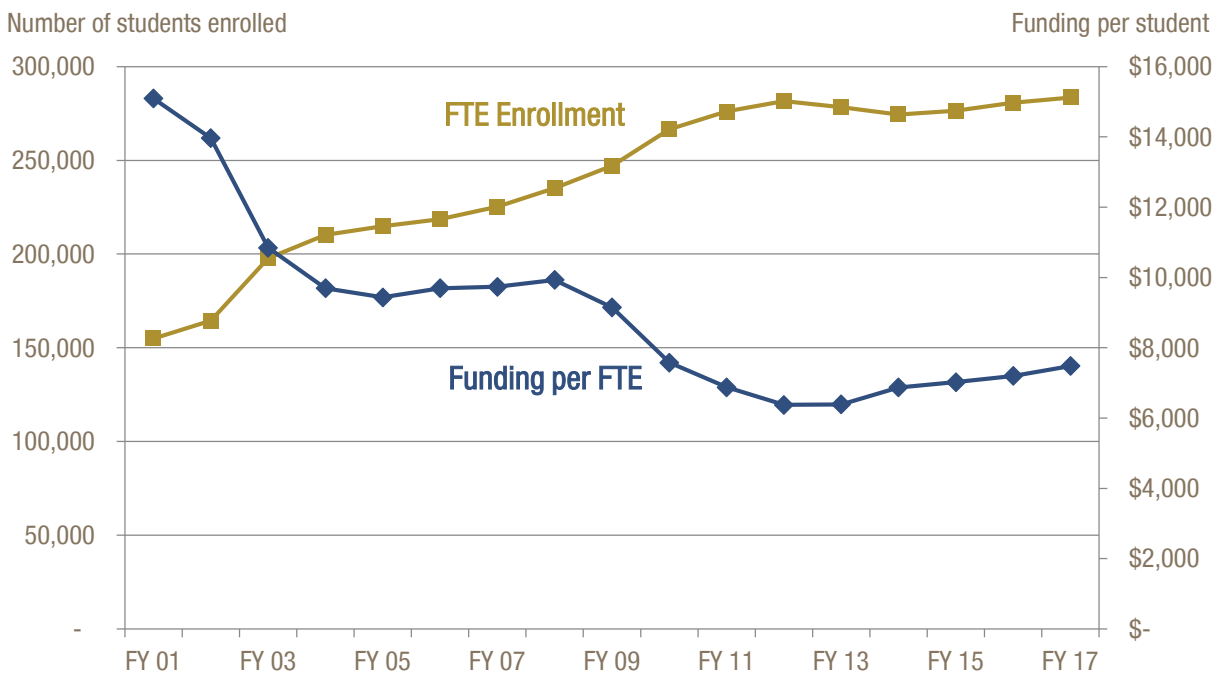
### University System of Georgia

The proposed \$100.6 million added to the university system's budget is an increase of about 5 percent more than the prior year. About 60 percent of the increase is for merit-based pay adjustments and recruitment and retention initiatives for state employees across all agencies. This helps universities make progress in offering more competitive wages to attract and keep faculty. Georgia ranked ninth in average salary in the 2013-2014 school year for full-time faculty among the 16 member states of the Southern Regional Education Board.<sup>1</sup> The state was fourth a decade earlier.<sup>2</sup>

About \$43.5 million is added to keep pace with student enrollment growth and facilities maintenance. For the second year in a row, student enrollment climbed slightly systemwide, although several schools in south Georgia experienced declines. Albany State University’s enrollment slid by 10 percent from fall 2014 to fall 2015 and Bainbridge State College’s fell by 4.8 percent, to cite two examples.

The new money added in the proposed 2017 budget is a step forward but funding for the university system remains far below prior years. Since the 2001 fiscal year, state funding per full-time equivalent student fell 33.7 percent, or an inflation-adjusted 50.4 percent.

### Fewer State Dollars, More Full-Time Equivalent Students



Source: Amended Budget Fiscal Years 2001-2015, Budget Fiscal Year 2016, Governor’s Budget Report Fiscal Year 2017; University System of Georgia, Semester Enrollment Reports, Fall 2000-Fall 2015; U.S. Department of Labor, Consumer Price Index Inflation Calculator

Continued state budget cuts prompted recent tuition hikes, as the system relied more on tuition revenue. Tuition revenue now covers about 50 percent of the cost of educating students in the system, up from about 25 percent in the 1990s.<sup>3</sup>

### Technical College System of Georgia

The proposed 2017 budget for the technical college system is about \$11.5 million, or 3.4 percent more than 2016. More than 77 percent of the increase is for a statewide salary hike for merit-based pay adjustments and recruitment and retention initiatives. The average salary of full-time faculty at technical colleges in Georgia declined 13.7 percent from the 2008-2009 school year to 2013-14 and the increase should help reverse that. The average salary was below the Southern Regional Education Board average in the 2013-2014 academic year, the most recent available.<sup>4</sup>

The system's largest unit is technical education, which houses its certificate, diploma and degree programs as well as continuing education. Spending for technical education is up \$891,484 for increased facility costs. Student enrollment has declined but funding is not reduced as a result. State funding per full-time equivalent student rose as a result. The system was able to invest in initiatives to help more students complete their programs, which are yielding results. The number of graduates has risen in the last two years even though the number of students has fallen.

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<sup>1</sup> Southern Regional Education Board. (2015) SREB Fact Book 2015. Atlanta: GA. Retrieved from [http://publications.sreb.org/2015/2015\\_Fact\\_Book\\_webversion.pdf](http://publications.sreb.org/2015/2015_Fact_Book_webversion.pdf) .

<sup>2</sup> Southern Regional Education Board (2004). Faculty salaries and number of faculty, public colleges, by college, with state rankings 2003-04. Retrieved at [http://www.sreb.org/page/1360/data\\_library\\_higher\\_ed\\_faculty\\_\\_administrators.html](http://www.sreb.org/page/1360/data_library_higher_ed_faculty__administrators.html)

<sup>3</sup> University System of Georgia. (2011) Funding Formula Overview. Retrieved from [http://www.usg.edu/fiscal\\_affairs/documents/Consolidated\\_Formula\\_Presentation\\_-\\_November\\_Board\\_-\\_Final.pdf](http://www.usg.edu/fiscal_affairs/documents/Consolidated_Formula_Presentation_-_November_Board_-_Final.pdf).

<sup>4</sup> Southern Regional Education Board. (2015) SREB Fact Book 2015. Atlanta: GA. Retrieved from [http://publications.sreb.org/2015/2015\\_Fact\\_Book\\_webversion.pdf](http://publications.sreb.org/2015/2015_Fact_Book_webversion.pdf) .