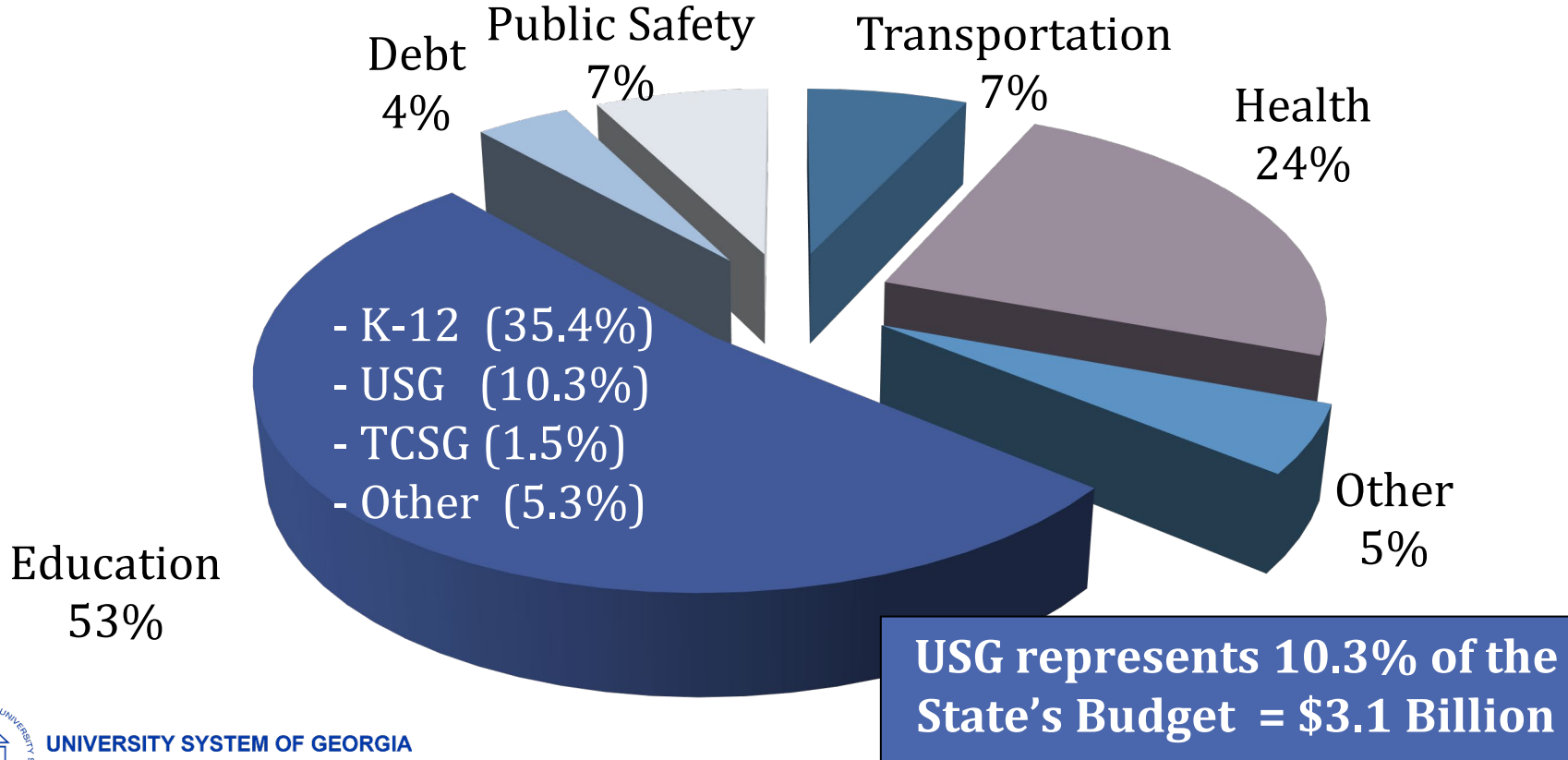


# State of Georgia

Fiscal Year 2023 Budget by Policy Area



# FY 2023 Original Budget - \$10.33B

<b>State Appropriations</b>	<b>\$3,119,200,668</b>	<b>30%</b>
Tuition	2,157,964,211	21%
Other Revenues	643,423,279	6%
Sponsored	2,702,022,265	26%
Departmental Sales and Services	373,545,071	4%
Capital	153,507,541	2%
Auxiliary Enterprises	1,054,250,761	10%
Student Activities	128,927,804	1%
<b>Total FY 2023 Original Budget</b>	<b>10,332,841,600</b>	<b>100%</b>



# Funding Formula

- Current “Formula for Excellence” in place since early 1980s
- Formula used to calculate the lump sum amount - approximates the cost to educate students (*faculty, support services, etc.*)
- Funding appropriated annually by the General Assembly in lump sum
- Board allocates funds to institutions
- Formula components:
  1. **Enrollment Growth** -- Based on Growth in Credit Hours (2-year lag)
  2. Maintenance and Operations (M&O) - Based on Increase in Square Footage
  3. Health Insurance and Retiree Benefits - Based on increases in health insurance premiums for current employees and retirees
- Shared responsibility – State/Tuition



# FY 2024 Operating Budget As Passed (HB19)

<b>FY 2023 State Funds Budget</b>		<b>\$ 3,119,200,668</b>
Enrollment Change, net		7,568,313
M&O Funds – Increase in Square Footage	Formula Funding	2,313,040
Health Insurance and Retiree Benefits		18,000,000
Increase funds for \$2,000 cost of living adjustments		87,374,281
<b>State Funds Reduction</b>		<b>(66,000,000)</b>
Other Adjustments, net		<u>16,414,617</u>
<b>Increase State General Funds (2.1%)</b>		<b><u>65,670,251</u></b>
<b>FY 2024 State Funds Budget Request</b>		<b>\$ 3,184,870,919</b>



# Carry Forward Funds

**Caption in HB19:** Reduce funds and utilize carry forward funds where necessary - **\$66M**

- Carry Forward refers to the ability to move unexpended revenues beyond the fiscal year for which it was originally earned.
- The authority to carry forward unspent funds from these sources was first provided in 2003. The legislation has been renewed six times since, and currently extends through fiscal year 2026.
- Total Carry Forward Funds as of June 30, 2022 was \$504,519,393



# Carry Forward Funds

O.C.G.A. 20-3-86 allows the University System of Georgia (USG) to retain unexpended revenues generated from five (5) sources:

1. **Continuing Education** – non-credit instructional courses and programs designed primarily to meet the educational needs of professional and non-traditional students.
2. **Departmental Sales and Services** - Self-sustaining and fee-based services including cooperative extension, public service and outreach.
3. **Indirect Cost Recoveries** - Funds received from grants & contracts with federal or other sponsoring agencies in accordance with approved indirect cost recovery rates.
4. **Technology Fees** - Fees paid by USG students used to support computer labs, servers, wi-fi enhancements and other student-related technological enhancements.
5. **Tuition** – Tuition paid by USG students for credit-generating academic instruction. The cumulative amount of tuition carry-forward is limited to up to 3% of the most recent fiscal year tuition revenue.



# Carry Forward Funds

## Why These Funds are Important:

- Key component in strategic financial planning:
  - Serve as contingency funds to be held for emergency – not wise to run a business without reserves
  - Address unforeseen fluctuations in state, federal, and internally/externally generated revenue
  - Used to attract top talent to grow research activities
  - Provide mechanism to save for technology, capital & other large investments that cannot be funded in one year
  - Improve financial outlook with credit rating agencies, provides liquidity and the ability to help meet financial obligations during economic downturns
- These funds have accumulated over time
- Continued use of one-time funds for ongoing operating costs is not sustainable
- 82% concentrated at 6 institutions, 4 are research institutions
- Much of these funds are committed

