

This email is being sent on behalf of Shelley C. Nickel.

Dear President Dunning,

This morning, the Board of Regents took action on tuition, fees and institution allocations. These actions support student success and provide affordable, accessible and quality education options for our students.

I would like to take this opportunity to thank you and your team for providing my team with valuable information needed to evaluate your needs and make appropriate recommendations to the Chancellor and Board of Regents. We rely on you to tell us what your students need for their success. We are committed to supporting that goal.

Attached is your FY 2018 state funds allocation, which also includes projections for tuition based on actions taken by the Board, as well as your institution's projections for other revenues. Information regarding other Board actions is contained in the body of this letter.

Tuition and Fees:

Maintaining affordability is one of the highest priorities of the University System of Georgia. In an effort to maintain affordability, the USG is committed to keeping tuition low. The Board approved:

- A 2% increase to undergraduate tuition for all institutions. This percent increase applies to both in-state student and out-of-state students.
- Increases to graduate tuition, mostly limited to 2.5%.

Tuition rates for distance learning (e-tuition), which were frozen at FY 2017 levels, unless an institution requested a decrease to the rate. It should be noted that the Board approved a decrease to the eCore rate from \$169 per credit hour to \$159 per credit hour. This move marks the second time since FY 2015 that the eCore rate has decreased, making this offering an even more affordable option for students.

Additionally, the Board approved a limited number of increases to student mandatory fees. I want to thank you for limiting your requests and looking for other ways to support students. My office also is continuing to assess the need for elective fees and special charges.

The Board-approved tuition and fee amounts for FY 2018 can be found at:

http://www.usg.edu/fiscal_affairs/tuition_and_fees. Please communicate these rates with the appropriate individuals on your institution to ensure that the FY 2018 Board approved tuition and fee rates are correctly entered into the Banner System, and appropriately charged to students.

Allocations:

The FY 2018 formula generated \$66.7 million in new funding for instruction stemming from an increase in credit hour production. In determining allocations of state funds to the 28 institutions, the Board recognized enrollment growth at 21 institutions. For the 7 institutions experiencing enrollment declines, the Board carefully evaluated the impact of the resulting funding reductions to these institutions on a case by case basis, and mitigated reductions to these institutions, where appropriate.

Institutions receiving reductions to state funds are expected to make fundamental and necessary changes as outlined in their proposed reduction plans submitted in advance of your FY 2018 budget hearing with the Chancellor. Institutions receiving new money are expected to apply increases in state funds to institutional priorities identified in your budget submissions. Recognizing there may be Federal and other mandates that take precedence over stated priorities, institutions will have the latitude to dedicate new and existing funds to comply with these mandates as necessary.

Merit:

The FY 2018 budget included \$43.0 million to fund merit-pay and employee recruitment and retention salary adjustments. The FY 2018 Salary and Wage policy approved by the Board is attached for your information.

Other Items to Note:

In FY 2017, your allocation included a one-time health insurance adjustment, to partially cover the state share of rising health care costs. A portion of that adjustment is continued in the FY 2018 budget.

Additionally, we have not adjusted your budget to support the OneUSG Connect project. As OneUSG Connect is implemented we will conduct a more in-depth review to determine the amount of state funds that should be withheld from institutions in FY 2019 based on services centrally provided under the OneUSG Connect project. Institutions are expected to be a partner in this process and should begin giving consideration to recommending an appropriate staffing level under OneUSG Connect.

Again, thank you for all you do for your students, your institution and the USG. It is a pleasure working with you. Please do not hesitate to call me if you have any questions.

Sincerely,
Shelley

Shelley C. Nickel
Executive Vice Chancellor for Strategy and Fiscal Affairs