Overview: 2019 Fiscal Year Budget for Higher Education

By Jennifer Lee, Policy Analyst

Gov. Nathan Deal’s proposed $2.4 billion budget for the university system and $367 million for technical colleges includes money for enrollment growth and an increase in the employer share of the Teachers’ Retirement System. The proposed 2018 amended budget adds $10 million for graduate medical education and $10.7 million to meet dual enrollment needs. Per-student funding in the university system continues to increase, but it is still below pre-recession levels from almost 10 years ago after adjusting for inflation. That means students are paying a larger share of college costs through tuition and fees than in the past.

By the Numbers

Amended 2018 Fiscal Year Budget

- Adds $10.7 million to the Georgia Student Finance Commission to meet projected dual enrollment needs
- Adds $10 million to the University System of Georgia for graduate medical education at Augusta University
- Adds $1.2 million to the Technical College System of Georgia for two mobile welding labs

2019 Fiscal Year Budget

Funding for the university system’s operating budget is set to increase $117 million more than the 2018 budget:

- $60 million for an increase in the employer share of the Teachers’ Retirement System
- $54 million for enrollment growth and operating costs
- $4.5 million for 19 positions and operating expenses at the Georgia Cyber Innovation and Training Center

Total proposed spending for the technical college system is $5.7 million more than the 2018 budget:

- $4.4 million for an increase in the employer share of the Teachers’ Retirement System
- $1 million to market technical college programs

The budget proposes to add $34 million more in state funding for the dual enrollment program, which allows high school students to take college classes. That brings the total proposed for 2019 to $113 million, a 44 percent increase. That money is allocated to the Georgia Student Finance Commission, which administers dual enrollment payments to the university and technical college systems.

The Governor’s Office of Workforce Development program will transfer from the Department of Economic Development to the technical college system. This entity administers $73 million in federal funds and oversees the state’s workforce development initiatives. The university system is also transferring $1.7 million to move Bainbridge State College’s technical division to the technical college system.
The proposed 2019 budget increase of $117 million for the university system is 5.1 percent higher than last year. Per-student funding continues to grow but still lags pre-recession levels after adjusting for inflation. Before the recession that started in 2007, the state paid a larger share of college costs. As per-student state funding decreases, tuition and fees increase.

Lower State Funding Leads to Higher Tuition

The proposed 2019 budget contains $271 million in bonds for capital projects, including major repairs, renovation and construction.

University system enrollment grew 1 percent from 2016 to 2017. Not all schools saw enrollment growth. Colleges serve an increasing number of high school students through dual enrollment. In 2017, about 11,500 high school students, or 3.5 percent of total enrolled students, took college classes through the university system.

The university system continues to merge schools, aiming to trim costs. In 2018 the Board of Regents approved the consolidations of Georgia Southern and Armstrong State, and Abraham Baldwin Agricultural College and Bainbridge State College. Today the university system is made up of 26 schools, down from 35 before 2011.

Technical College System of Georgia

The proposed 2019 budget for the technical college system is $367 million, a 1.6 percent increase from last year. Most of the growth covers an increase in contributions to retirement benefits. After several years of enrollment decreases, technical colleges experienced a 1 percent increase from 2016 to 2017. But credit hours decreased slightly. In the school year that began in 2016, technical colleges served more than 21,000 high school students through dual enrollment and college and career academies. The 2019 budget also includes $95 million in bonds for capital projects, including major repairs, renovation, construction and equipment.