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## Message from the President

Georgia Southern University

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## Dear Colleagues,

May 17, 2023

As communicated by emails, continuous dialogue, and presentations to faculty, staff, and students throughout the academic year, we continue to engage our institution in a transparent budget prioritization, development, and implementation process. To that end, we received our FY 2024 budget allocation from the University System Office yesterday, May 16, informed by the 2023 legislative session and upon the Governor's final signature of the state budget.

We are grateful to the Governor and the Georgia General Assembly for approving the \$2,000 Cost of Living Adjustment (COLA) for all eligible state employees, effective July 1, 2023. The funding provided 75% of what is needed for all eligible state employees, resulting in approximately \$552,000 of recurring funds to be fulfilled by the institution. Additionally, for employees not funded from Education and General funding (thus not covered by the state allocation), we will internally identify \$1.2M of recurring funds needed to honor the COLA for all eligible employees. These permanent salary adjustments will be provided by using auxiliary, grant, and redirected Education and General (E&G) dollars.

As you remember from previous communications throughout the year, we implemented a current year budget reduction of \$6.9M as a result of a 5.89% enrollment decline realized this fiscal year. Due to enrollment growth from FY 2021 to FY 2022, we are actually due a nominal formula funding increase of .6% for FY 2024 and thus received a growth allocation of \$552,455.

**These considerations, combined with a formula funding reduction of \$66M to the USG incurred during the legislative process, resulted in additional net reduction and recurring COLA obligations of approximately \$3.75M to our base formula funding for FY 2024.**

To cover this reduction for FY 2024, we will deploy a one-time solution for the non-salary portion of the reduction (\$2.5M) that will utilize funds from institutional carry forward dollars, indirect cost recovery accounts, and department sales and services reserves. **This is a one-time remedy and is not sustainable beyond the single fiscal year.** With this strategy, our intent is to cover this formula reduction for a single year until we learn more about the state formula funding allocation in future fiscal years.

Though recognizing and acknowledging increased inflationary recurring costs of utilities, goods, and services, the Board of Regents voted to not increase base tuition for fall 2023. This means that tuition will not have been increased in the past six years. As a reminder, the Special Institutional Fee was eliminated last year, resulting in a cost savings directly to students. Georgia Southern students are paying \$290 less per semester this fall than they did in the fall of 2021.

Remember, there are only three possible sources of recurring funding for new priorities: redirection of current resources, enrollment growth and/or a tuition increase. Fortunately, summer and fall enrollment projections are tracking well and should help to prepare and mitigate our projected FY 2025 budget reduction model.

Salary market equity investments continue to be a priority at Georgia Southern. We are in the process of refreshing the market equity study to include the \$2,000 COLA increases. Unfortunately, there are no available funds for FY 2024 to invest specifically in salary market equity increases, but we remain committed in future years as resources become available.

We will be providing presentations to faculty, staff, and students at their senate, council, and association meetings and will keep everyone updated as there are other variables that may affect our FY 2024 recurring budget, including our final summer enrollment numbers and realized tuition revenue for FY 2024.

Questions specific to any of these reductions or new funding prioritizations should be addressed within your divisional leadership. I want to thank everyone who engaged in our transparent budget prioritization and implementation process that evidenced strategic and transparent decision-making.

Sincerely,  
Kyle

*People. Purpose. Action: Growing Ourselves to Grow Others!*

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**PEOPLE...PURPOSE...ACTION:**  
*Growing ourselves to grow others*