

COMMUNICATIONS

External Affairs Division

Additional State Budget Decrease of \$66 Million Will Hurt University System of Georgia Institutions

Atlanta – March 30, 2023

The Fiscal Year 2024 budget passed Wednesday by the General Assembly includes an additional \$66 million decrease in state funding, a cut that will impact teaching budgets, staff and students across the state.

The decision comes as 20 of the University System of Georgia (USG)'s 26 public colleges and universities are already set to receive less money next fiscal year under the state's funding formula due to enrollment declines. The budget impact on those 20 institutions under the funding formula means they already face a loss of \$71.6 million in state funds for FY24.

The additional \$66 million would come on top of those reductions. The impact of the additional \$66 million reduction by institution is shown in the chart below.

"This is an incredibly disappointing outcome, given the work done over the years by our state leaders to elevate higher education and send Georgia on a path to ascension," USG Chancellor Sonny Perdue said. "It will have a significant impact on institutions and the services that students and families depend on to advance their prosperity and help Georgia succeed."

To put the reduction in context, the university system at the start of the COVID-19 pandemic sustained a 10% budget reduction in FY21 of about \$230 million, which has never been restored. Institutions are also facing increasing inflation that for some campuses mean a rise in utility costs by as much as 40%.

Overall, USG's \$3.1 billion state funds budget is largely dedicated to existing costs such as faculty and staff who support the system's academic mission and support services for students. Close to 80% of the system's teaching costs are personnel.

Year to year, some institutions may also "carry forward" funds not spent in the current fiscal year to the next fiscal year to help with budgeting and planning. While the university system reported a cumulative \$504 million in carry forward funds at the end of last fiscal year, 82% of those funds are concentrated at only six schools – including USG's four research institutions of Augusta University, Georgia State University, Georgia Tech and the University of Georgia.

Since carry forward funds are earned and retained at the individual institution, the system does not have the ability to move these funds from one institution to another.

While USG recognizes these funds may act as a necessary financial reserve and help with short-term emergency needs, similarly to the state's rainy day fund, they are primarily used to support long-term recruiting and strategic investments at Georgia institutions recognized among the top public research institutions in the nation.

This includes the ability to attract top faculty and invest in research activities that grow Georgia's economy and reputation.

The additional \$66 million reduction will impact teaching budgets, staff and students across the state.

The following chart reflects the impact of the reduction in state funds at every USG institution:

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Institution	\$66 Million Cut
Augusta University	(\$6,845,000)
Georgia Institute of Technology	(\$11,287,000)
Georgia State University	(\$8,333,000)
University of Georgia	(\$11,935,000)
Georgia Southern University	(\$3,879,000)
Kennesaw State University	(\$5,653,000)
University of West Georgia	(\$2,020,000)
Valdosta State University	(\$1,634,000)
Albany State University	(\$832,000)
Clayton State University	(\$860,000)
Columbus State University	(\$1,233,000)
Fort Valley State University	(\$673,000)
Georgia College & State University	(\$1,180,000)
Georgia Southwestern State University	(\$458,000)
Middle Georgia State University	(\$1,249,000)
Savannah State University	(\$564,000)
University of North Georgia	(\$2,542,000)
Abraham Baldwin Agricultural College	(\$566,000)
Atlanta Metropolitan State College	(\$208,000)
College of Coastal Georgia	(\$464,000)
Dalton State College	(\$488,000)
East Georgia State College	(\$246,000)
Georgia Gwinnett College	(\$1,625,000)
Georgia Highlands College	(\$590,000)
Gordon State College	(\$335,000)
South Georgia State College	(\$301,000)
USG Total	(\$66,000,000)

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