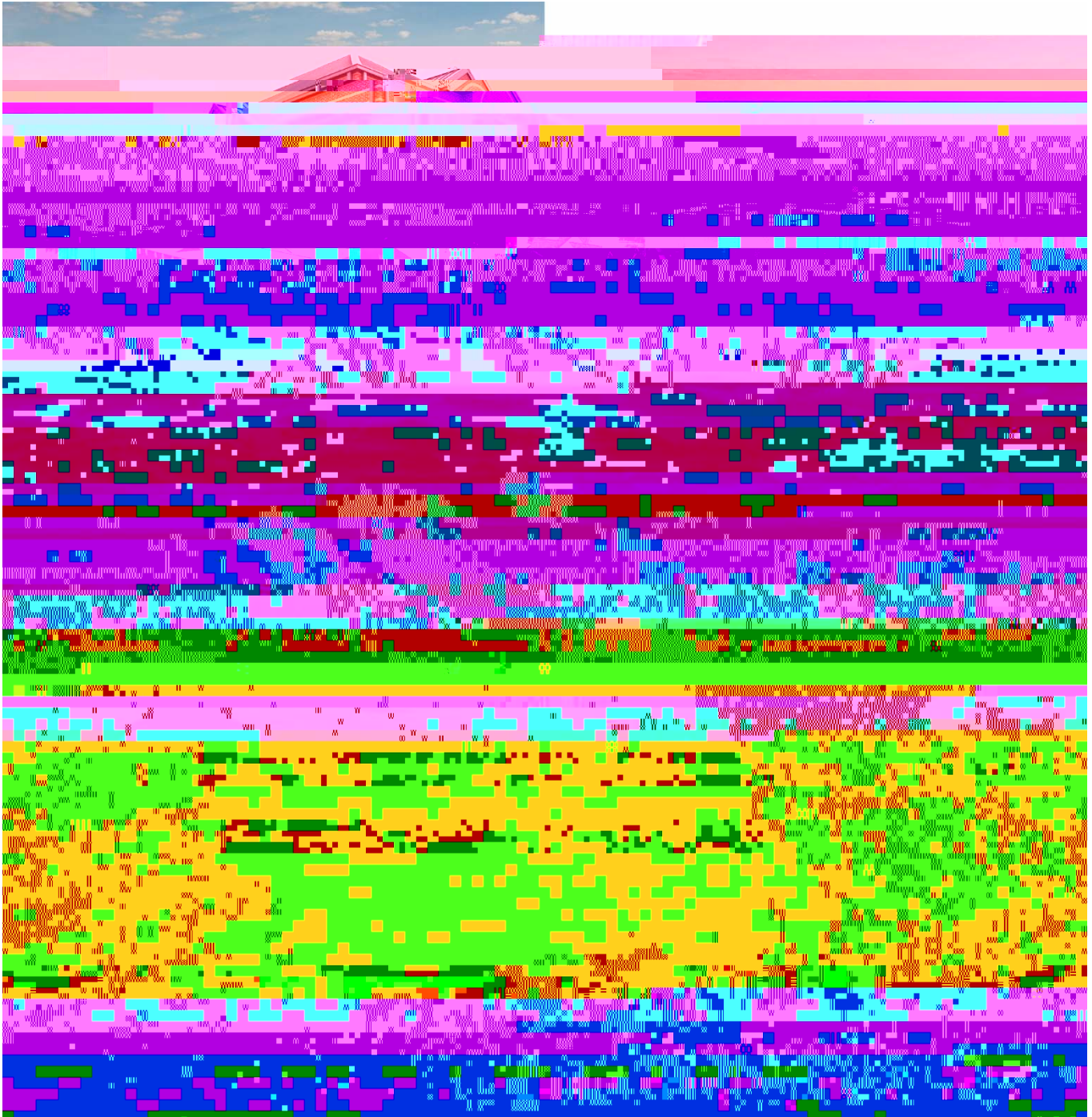


MIDDLE GEORGIA STATE UNIVERSITY  
Budget Stakeholder Report  
Fiscal Year 2017



Dear MGA Stakeholder:

Thank you for your interest in the Middle Georgia State University (MGA) budget process. Whether you are an employee, student or just an interested community member, we are pleased that you are taking an interest in MGA. The purpose of this report is to educate you about MGA's budget process, the actual sources and uses of the Fiscal Year 2017 budget, and other items affecting MGA's financial sustainability. Again, thank you for your interest in MGA and we hope you find this report informative.

### Budget Overview and Institutional Priorities

Faced with a flat tuition rate, flat enrollment, and a \$1.9 Million cut in State Appropriations, the FY2017 budget required more adaptability and active stewardship than ever before. The commitment of Faculty and Staff to continue to "do more with less" allows MGA to operate administratively lean while focusing our resources on institutional priorities. These priorities provide the foundation for institutional and academic growth with significant investment in the following areas:

**Expansion of Graduate Mission**— With the successful launch of two graduate degrees and approval of two more in FY2016, MGA's Graduate Studies is poised for rapid expansion of degrees and growth in students. The FY2017 budget provides the infrastructure to support this growth with the addition of an Assistant Dean, Graduate Admission personnel, and multiple faculty lines.

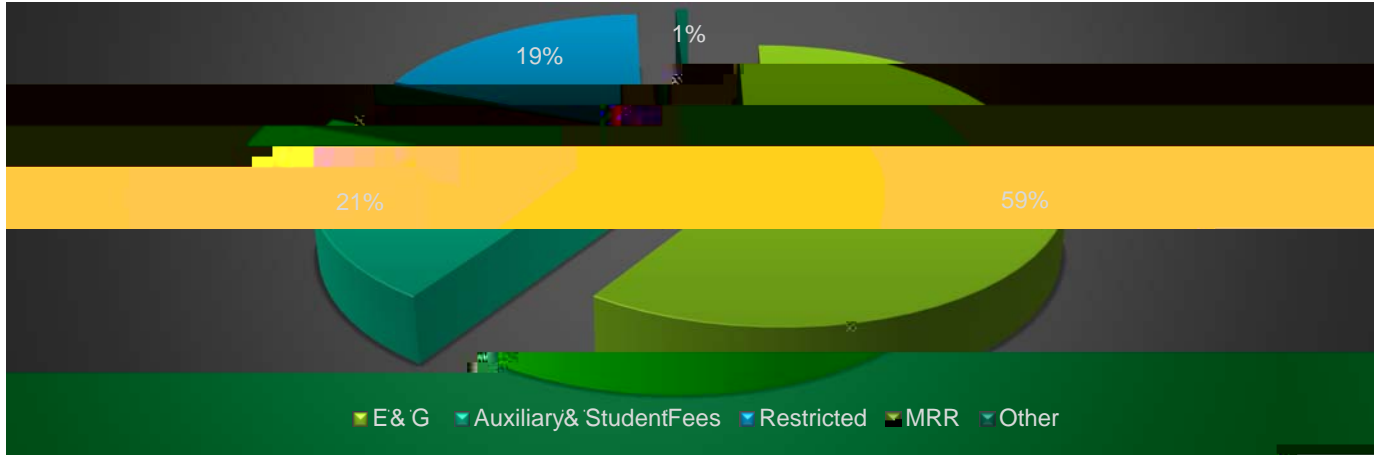
**School of Aviation Expansion and Growth**— The Georgia State Legislature approved \$4.2 Million in General Obligation bonds to fund Year 1 of the Aviation Strategic Plan which includes the Macon and Atlanta expansion as well as aircraft and hangar investments at the Eastman campus.

**Launch of VECTR**— With the completion of the VECTR (Veterans Education Career Transition Resource Center) in Warner Robins and the establishment of other initiatives for veterans, MGA is ready to provide academic courses, workforce training, and other educational services to veterans.

**Investment in Faculty & Staff Compensation**—

Major Repairs & Renovation (MRR) \$1,500,000 Used for renovations of existing space.  
 Other \$836,831 Includes Indirect Cost Recovery and Departmental Sales and Service.

### Sources of Funds

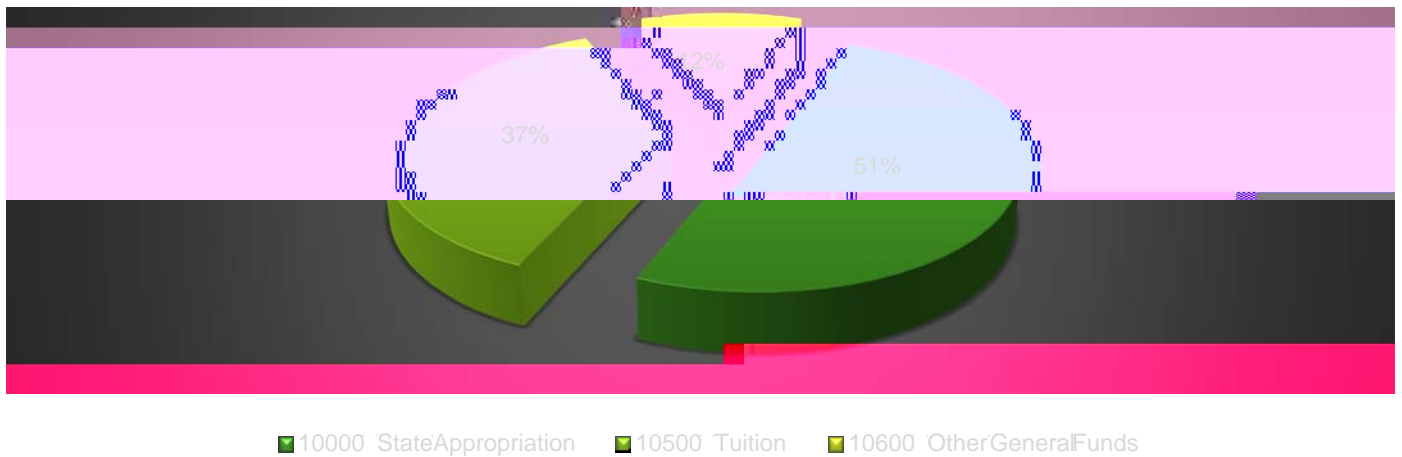


Each "pot of money" has specific purposes which limit the acceptable expenditures for that fund. While MGA's E&G funds support the majority of salaries and are also the budget that is decreasing the most, the MRR fund, which provides funding for building renovations, has stayed relatively stable. This explains why we are still able to renovate buildings even though we constantly warn of budget cuts.

### Educational and General Budget

The Educational and General (E&G) budget can be viewed as the general operating budget of the university and totals \$61,717,770 an increase of \$818,858 over FY2016 (1.3% increase). The sources of this budget are State Appropriations (\$31,262,699) Tuition Revenue (\$22,852,270) and Other General Funds (\$7,602,801) which includes the Institutional Fee. The chart below shows the breakdown by source:

### Where does the money come from?



The percentage of the E&G budget from State Appropriations remained steady at 51%, but the total amount of State Appropriations decreased by \$297,681 for just under 1%. Total State Appropriations were decreased by \$1.9M for the enrollment decline but MGA received additional funding for the employee merit increases (\$869,712), VECT Center positions (\$669,457) and health insurance increases (\$110,431). Since all of the increases were for mandated expenditures, in reality the State Appropriations available for new initiatives decreased significantly more.

Expenditures of E&G funds can be broken down into four main categories:

1. Personal Services: Full time and part time faculty and staff, student assistants and related benefits.
2. Travel of Employees
3. Operating: Supplies & materials, repairs & maintenance, rents, other operating, small value equipment, printing & publications, per diem & fees, contracts and telecommunication etc.
4. Equipment/ Capital Outlay: Library collections and any individual equipment items over \$5,000.

MGA's E&G budget is heavily personal services at 84%, followed by operating at 15% with the remainder in travel and equipment. Due to this high percentage of expenditures dedicated to employee compensation the only method of making substantial reductions in the budget is to cut positions. So far, MGA has successfully managed the multiple budget cuts through deletion of vacant positions and reductions in other areas; however if budget cuts continue, it is possible that other methods, including lay offs or furloughs, may be explored.

The table below shows the expenditure of E&G funds by category.

Some of the actions employed to balance the original FY2017 budget are as follows:

MGA used insurance reserves to fund an entire department with the expectation of re-allocating funds from vacant E&G positions during the year in order to move this department back to the E&G budget.

MGA already operates lean, but eight additional vacant staff positions were cut in the original budget.

Reductions in Operating, Travel, and Equipment Budgets:

Reduction in Part Time staff and student assistant budgets:

But balancing the original budget is not the whole story. Since submission

Higher education institutions use a standardized group of functions to classify expenditures and aid in comparison and

### Restricted and MRR Funds

MGA acts as a fiduciary agent for a majority of the Restricted Funds that flow through the institution such as Federal Pell grants and other types of financial aid. MRR (Major Repairs & Rehabilitation) has been approved for \$1.5M for FY2017 for renovation of campus facilities.

### Looking Ahead

As the Fiscal Year 2017 budget year progresses Budget Services will be paying close attention to the following:

- Enrollment and tuition revenue compared to budget;

- Amount of overtime payments due to changes in the Fair Labor Standards Act;

- Management of vacant positions;