University Senate Budget Committee
Thursday, March 10, 2011
529 General Classroom Building
3:00 pm

Members Present: JoAnn Bacon, Tim Bartness, Faye Borthick, Deron Boyles, William Downs, Peggy Gallagher, Hugh Hudson, Bruce Pilling, Bala Ramesh, Mary Ann Romski, Sarah Steiner, Andrew Sumner, Cherian Thachenkary, Jowanna Tillman, Katherine Willoughby, Yongsheng Xu

Guests: Beth Jones – Associate Vice President for Finance and Administration

Meeting minutes

Katherine Willoughby called the meeting to order. She provided an update from the last FACP meeting. The SBC Career Transition Report was revised by the Senate Executive Committee. The revised report was approved by the Senate Executive Committee and sent to FACP for consideration. Signification changes to the report by the Executive Committee included: (1) no option as part of the program for rehire, (2) lump sum payout to eligible employees at 50 percent of their annual salary, (3) no cap on the amount of the lump sum payment, and (4) a one-time offer of the retirement incentive.

A discussion about the Executive Committee approved program and consideration of it by FACP was then conducted. Katherine briefed SBC members of FACP discussion of the plan at its March 9, 2011 meeting that included:

- The program should be limited in funding to a budgeted amount, centrally provided (to lessen departmental impacts), with the hope that this amount covers everyone who is both eligible and chooses the retirement plan.
- The implementation period should consist of the announcement of the program availability from April 15-30, evaluation and employee commitment to the plan from May 1-31 with Vendors available throughout the month of May to support eligible employee questions, concerns and planning, and a final employee commitment deadline of May 31.
- Inclusion of a deferred retirement start date with choice to accept lump sum payment: Employee declares retirement effective June 30, 2011 or June 30, 2012.
- Those who have already declared letter of intent to retire for this year and who are within the threshold for revoking these plans, can revoke in order to take advantage of the retirement incentive plan.
- Regardless of date of retirement (this year or next year), faculty lose tenure by signing documents accepting the retirement incentive.
- The program should be a one-time offering; there is no expectation that this will be available for retirement eligible employees in future years.
- The University considers this to be a cost-saving measure for the FY 2012 budget only.

In response to questions about this new plan and FACP consideration of it, Beth Jones confirmed that the lump sum payment of 50 percent regards annual salary, without benefits and the lump sum would not be TRS eligible. She provided some preliminary information about the tax implications and contribution adjustment possibilities of receipt of a lump sum payout such as this. Any option to defer retirement until June 30, 2012, would require an employee to sign a letter of intent to retire by the specified (May 31, 2011) deadline.

Based on inquiries from the SBC members, Katherine stated that she would get clarification on the following questions:

1. When is the tenure for faculty surrendered? Is it when faculty members provide the University with their intent to retire and even if they are deferring retirement? Or, is it when they actually retire? For those who choose to defer their retirement, what is their employment status for the interim year?
2. Are there calculations of expected savings from this program?
3. How will the University allocate savings from program implementation? Can savings be directed to merit raises for faculty and staff?
4. Will the SBC be provided a copy of the final program components prior to its distribution campus-wide?

The minutes from the February 17, 2011 meeting were approved.

Members considered possible issues for SBC analysis and reporting in the future. One area of interest is the language in contracts as pertains to facility building, acquisitions and repairs. For example, some of GSU’s newly acquired buildings have needed costly repairs even after recent renovations. A study is suggested that examines GSU history of contracts regarding infrastructure to determine what leads to such problems as well as the possibilities to improve contracting language for example, to increase vendor responsibility related to any necessary repairs.

There being no further business, the meeting was adjourned.