September 21st, 2006
Meeting started at 3:30pm
Meeting adjourned at 4:47pm


Agenda

- Report on Reduction of State Contribution to ORP
- Joint Resolution with Faculty Affairs on ORP
- Selection of members for the Budget Priorities Subcommittee
- Selection of members for HR Review Subcommittee
- Report on FACAP
- Old Business
- New Business

Hugh Hudson began the meeting by welcoming members to the first meeting of the academic year. He opened the floor to Jerry Rackliffe to go over the handouts addressing the reduction in employer contribution rate for ORP (Optional Retirement Plan) in comparison to TRS (Teachers Retirement System). Effective January 1, 2007, ORP rates will be reduced from 9.66% to 8.13%.

Hugh Hudson then turned the floor over to Cherian Thachenkary to review and discuss the handout from the Joint Resolution with Faculty Affairs on ORP. The below was taken from the Joint Resolutions of the Senate Faculty Affairs and the Senate Budget Committees of Georgia State University Regarding the ORP:

“...The negative impact of the proposed reduction is exacerbated by the fact the rate change is scheduled to take effect at the beginning of the new calendar year (January 1st) rather than at the start of the fiscal year (July 1st) as has been the case, since the inception of the ORP in 1990.

The proposed rate reduction, in combination with historically non-competitive and fluctuating contributions by the System and other statutory features, has seriously eroded the benefits that members can expect to receive from the ORP in relation to the benefits they could obtain by joining the Teachers Retirement System of Georgia (TRS). Since its inception, the ORP has evolved in such a way as to not maintain equity or parity of benefits to its members when compared to those who join the TRS.

Cherrian Thachenkary asked for a motion to be brought to the floor by Hugh Hudson, for the committee to consider a resolution be given to the President to re-consider the changes in retirement benefits. The motion was called for question with no objections. The floor was open for discussion. There were some questions asked among the committee. Hugh Hudson called for motion in favor of the resolution. There were no objections.
Hugh Hudson asked for volunteers for two committees, Budget Priorities Subcommittee and HR Review Subcommittee. A sign up sheet was circulated for volunteers. He stressed the importance of the committees to the university. The Budget Priorities is a returning committee and the HR Review is a new committee. Hugh Hudson informed the committee he may be contacting members to volunteer.

Hugh Hudson moved to new business and reviewed the last minutes from FACP. Jerry Rackliffe reported we were doing really well with credit hours this semester and the outlook for the next semester was positive. With such improvement, our estimation of recovering from our past budget situations may occur sooner than later.

Hugh Hudson asked if there was any old business and none was brought to the floor. Because of rescheduled meeting, he excused himself from the meeting and asked Cherian Thachenkary to act as chair.

Cherian Thachenkary distributed two more handouts: Resolution of the Senate Faculty Affairs and the Senate Budget Committees of Georgia State University Regarding the ORP and a chart with the Board of Regents Average Contribution from 1990 – 2007. He reviewed each sheet and discussion and questions were addressed. The motion for acceptance, in lieu of changes, was called with no objections.

The committee accepted the resolution with the following changes/additions noted with underlines:

**Resolution #2**

The University Senate respectfully requests President Carl Patton to work jointly with the leadership of the research universities of the University System of Georgia and the Board of Regents to effect state legislation that will: (1) remove the irrevocable nature currently in effect of the election made by members of the university community of their mandatory retirement plans, and (2) allow members of the university community to transfer from the Optional Retirement Plan (ORP) to the Teachers Retirement System of Georgia (TRS), or from the Teachers Retirement System of Georgia (TRS) to the Optional Retirement Plan (ORP), or to maintain a combination of accounts in both the ORP and the TRS.

And

The University Senate respectfully requests President Carl Patton to work jointly with the leadership of the research universities of the University System of Georgia and the Board of Regents to amend current state legislation. Among the items to be explored:

The meeting was adjourned.