Minutes
Fiscal Advisory Committee to President (FACP)
March 27, 1998

Members Attending: Cleon Arrington, John de Castro, Bill Decatur, Sam Deitz, Sherry Gaines, Ron Henry (chair), Fred Jacobs, Charles Marvin

Members Absent: Ramona Hasan, Tameka Harper

Others Attending: Tim Crimmins, Jerry Rackliffe, Edgar Torbert (secretary)

The minutes of March 6 were approved as distributed.

Dr. Henry advised called meetings would be necessary for FACP to make funding recommendations based on allocations yet to be received from the Board of Regents. He asked Tuesday and Wednesday, April 7-8, 1:15-5:00 p.m. be reserved for this purpose [later changed to Thursday, April 9, 1:15-5:00 p.m. and Friday, April 10, 10:30 a.m.-2:00 p.m.].

Salary Guidelines
Mr. Rackliffe distributed draft "Georgia State University Salary Guidelines-Fiscal Year 1999" which were essentially the same as those for Fiscal Year 1998 with the exception of the "staff filled positions salary increase pool" being adjusted for the September 1, 1998 effective date of 12-month employee raises. Dr. de Castro requested the "faculty filled positions" and "staff filled positions" terminology in the guidelines be changed to "9-month filled positions" and "12-month filled positions" respectively.

Dr. de Castro noted the intent of the College of Arts and Sciences to use discretionary pool dollars to reduce the impact of the September 1, 1998 effective date on 12-month personnel. Dr. Decatur pointed out the increase last year in pay plan minima-maxima had been only one-quarter funded, and the rest came out of the merit pool. He suggested this as another raise pool issue to be addressed. Mr. Rackliffe cautioned the Board of Regents staff would be examining the distribution of raises to ascertain any significant deviation from the normal, bell-curve distribution.

Dr. Crimmins inquired about the percentage of staff whose current salaries would fall below the new pay plan minima. Dr. Decatur replied the information had not yet been provided, but would be shortly. Mr. Rackliffe indicated the largest numbers of staff below the minima were in physical plant and the library.

Dr. Deitz urged that some discretionary pool dollars be reserved for cases of exceptional merit. Dr. de Castro observed using even a small amount of the discretionary pool dollars to supplement the 12-month salary increase pool would have a positive psychological impact. Dr. de Castro suggested increasing the percentage figure for the 12-month pool by 0.25%. Dr. Gaines asked how this additional amount would be funded. Dr. de Castro replied salary increase dollars for unfilled positions would be the source. Dr. Jacobs asked if the supplemented raises would be a one-time bonus or recurring (i.e., added to base salary). Dr. Henry responded this would depend on how the supplemental increases were administered. Mr. Rackliffe noted the option of MOTSAs which are paid one time. Dr. Decatur cautioned a large number of MOTSAs would not be well received by the Board of Regents.
Mr. Rackliffe suggested the raise pools be restructured as follows: 5.5% of filled nine-month positions; 5.75% of filled 12-month positions; 0.75% of all filled positions for VP/dean discretionary salary increase pools; and the balance to the FACP pool for faculty promotions and 3% pay plan minima increases. Dr. de Castro made a motion to recommend this approach to FY99 salary increase pools. Dr. Deitz seconded the motion. The motion passed.

**Contingency Funds**

Mr. Rackliffe distributed: (a) "Statement of Projected Revenues and Expenditures for FY98", (b) "Schedule of Contingency Fund Sources FY97 & FY98", (c) "Projected Contingency Funding Requirements FY98, FY99 & FY00", and (d) "Systems Migration Budget-Phase I Financial & HR, FY98-00". Mr. Rackliffe called attention to the current contingency fund balance of $448K and the recalculated contingency fund requirement for systems migration at $439K.

Dr. de Castro inquired about the adequacy of contingency and end-of-year funds for the libraries. Mr. Rackliffe outlined projections for FY98 contingency and end-of-year funds based on prior year and current year patterns which showed all contingency fund requirements being met with $60K to spare. Dr. Henry noted any slippage in contingency funds to supplement the Moves and Renovations budget would have domino effects (e.g., slow-down of the Commerce Building project would impact the Classroom South conversion to classrooms project). Dr. Arrington observed the projection for indirect cost recoveries was conservative. Mr. Rackliffe responded the indirect cost recoveries cushion was in the range of $200-300K.

Dr. Decatur made a motion to recommend expenditure of $439K of the current contingency fund balance for systems migration. Dr. Marvin seconded the motion. The motion passed.

**FY99 New Funding**

Dr. Henry commented on the difficulty of narrowing the FY99 new funding requests to $3M. He noted his initial intention to fund all action plans fully had been modified in order to stay within the $3M new funding scenario.

Dr. Henry pointed to the need to address progress-toward-degree/general education requests made by the College of Arts and Sciences. He stated more than one thousand students had been unable to register for core courses they need. He added this situation would be aggravated by fall 1998 enrollments as acceptances to date were running 400 ahead of last year in spite of 2.2 predicted grade point average and no-Learning Support Program requirement criteria for acceptance now in effect.

Dr. Deitz asked about the prospects for system redirection funds for progress-toward-degree efforts. Dr. Henry responded no information about funding targets was available, but the system was getting new workload and instructional technology funds over and above system redirection. He pointed out while GSU would receive a share of these new funds, it would be prudent to proceed conservatively because of uncertainty about semester credit hour production. Dr. Crimmins asked if the Board of Regents would react to an initial drop in credit hours. Dr. Henry responded the Board of Regents had been forgiving of the Olympics drop and the legislature had provided $10M to cover that drop. He noted a similar disposition relative to the two-year phase-in of the plateau tuition structure. Dr. Crimmins suggested it would be interesting to find out how other states had dealt with credit hour drops after calendar conversions. Dr. Deitz noted the number of high school graduates would continue to climb until 2008. Dr. Henry added Georgia would have the third highest increase in the US.
Dr. de Castro cautioned against being too conservative and shifting too many requests to contingency funds. He observed units could not plan effectively when dependent on contingency funding. Dr. Henry noted that by agreement the deans and vice presidents had not submitted requests for contingency funds this year. Dr. Deitz advocated erring on the conservative side for FY99 because of enrollment uncertainties associated with semester conversion and to avoid mid-year budget reductions. Dr. Decatur pointed out continuing funds would be realized in subsequent years from any unbudgeted tuition revenues in FY99.

Dr. de Castro expressed concern that only $3M of new funds would leave many serious needs unmet. Dr. Crimmins emphasized the requests from the College of Arts and Sciences pertaining to the excellence goals of the University Strategic Plan.

Dr. Henry next addressed the AACSB-related requests from the College of Business Administration. Dr. de Castro questioned whether the requests reflected the AACSB requirement of an average of 60% courses taught by full-time faculty across all programs, or 60% for each program which he stated was not the requirement. He added the real issue was underfunding of the college. Dr. Crimmins asked how increasing admission standards and resulting decreases in credit hours taught might relieve the need for additional full-time faculty to meet the 60% AACSB standard. Dr. Jacobs noted semester conversion might also reduce enrollments, and when the economy is doing well, business school enrollments historically drop.

Dr. Jacobs pointed out approximately $600K of the College of Business Administration requests related to digital commerce. Dr. Henry responded this was one of the system redirection target requests from the university, and funding would depend on system action on the request. He added this was a "hot" disciplinary area. Dr. Jacobs responded this view of digital commerce was not shared by many computer information systems people across the nation.

Dr. Deitz commented that increasing the number of PhD students had been a stated goal at the time Dr. Harris was hired, but was not reflected in the requests. Dr. Jacobs responded that business schools nationally had reduced the size of PhD programs around 1990 and that in accountancy the number of PhD graduates had dropped from over 200 to 38 last year. Dr. Crimmins noted this trend had pushed salaries very high. Dr. Henry asked about trends in teaching loads. Dr. Jacobs stated the shift from 3-and-3 courses to 2-and-2 courses had occurred in the 1970s. Dr. Henry pointed to the emergence of electronic universities as a threat to traditional business schools. Dr. Decatur echoed this point relative to non-traditional students wanting to take courses at times convenient to them. Dr. Jacobs replied the academic rigor of the traditional business schools would still needed. Dr. de Castro questioned whether the requests for non-tenure track faculty was the way to go if increasing the number of PhD students was a goal.

Dr. de Castro suggested people from the colleges and vice presidential areas be available to answer questions as FACP proceeded with its deliberations. Dr. Henry indicated he would ask the vice presidents and deans to have people available by phone.

Dr. Jacobs expressed appreciation for the modest and clearly presented requests from External Affairs, Development and the College of Education, and encouraged FACP members to reward these areas through their allocation recommendations.

Prepared by Edgar Torbert
Approved April 9, 1998
Please send questions or comments to Mary Nell Stone