FISCAL ADVISORY COMMITTEE TO THE PRESIDENT  
Minutes of April 28, 2004

Members Attending: Shelia Bradley, Ron Henry, Hugh Hudson, Fenwick Huss, Fred Jacobs, Susan Kelley, Jerry Rackliffe, P.C. Tai

Others Attending: Lauren Adamson, Ron Colarusso, Bill Fritz, Charlene Hurt, Robert Moore, Edgar Torbert

The minutes of April 21 were approved with two corrections.

Dr. Henry gave a brief budget update, noting the special session of the legislature would open May 3 with no indication that the University System of Georgia would be affected by the proceedings. If the special session fails, a second special session would open May 10 with the likelihood the whole budget would be revisited. [The first special session concluded its business May 7.]

Dr. Henry reminded that the Board of Regents would take action on the FY2005 budget and tuition and fees at its May 18-19 meeting. He projected $4M in new funds for Georgia State. He added that redirected funds of $4.4M could also be allocated, but allowing for 50% return in FY2005 for one-time use (25% return in FY2006).

Dr. Tai asked about prospects for ETACT funding from the lottery. Dr. Henry outlined the uses of lottery funds for HOPE scholarships, pre-K, instructional technology, equipment matches (ETACT), etc. He indicated the leveling of revenues from the lottery and the increasing demand from HOPE would negatively affect ETACT.

Dr. Adamson asked if redirection would continue. Dr. Henry replied that there would be at least a two-year break. He added that some additional funds might be freed from discontinued degree programs, but none immediately. He advised the $4.4M redirected funds should go toward the areas of focus and perhaps some new funds could be added for this purpose in future years.

Dr. Tai made a motion to recommend use of the $4.4M in redirected funds for areas of focus and the FY2005 new funds for the requests for new funds from the deans and vice presidents. Dr. Kelley seconded the motion. Ms. Hurt pointed out that some requests for new funds intersected with areas of focus, and overlaps should be monitored. Dr. Henry responded more would be known as of May 19. The motion passed.

Dr. Henry invited the members to submit their recommendations for allocating the $4M in new funds on a spreadsheet to be provided by Dr. Torbert. Dr. Tai requested an FY2005 version of the funding model used for FY2004. Mr. Rackliffe agreed to provide the model with a modification toward funding the $1.5M request from Finance & Administration to begin accumulating funds for the science research building.

Dr. Huss raised questions about proposed use of indirect cost recoveries to help pay for the science research building and requested a review of the plan. Dr. Tai commented that the building was a “must do” project of great benefit to the entire university in the same way that the Wachovia project was of university-wide benefit. Mr. Rackliffe referred Dr. Huss to page 68 of the new
funding packet pertaining to the plan.

Ms. Hurt requested that the University Library be treated as an academic unit for the 2-to-1 allocation factor used in the FY2005 model. She also asked about the $5M minor capitol project for campus infrastructure. Dr. Henry replied that this one-time money was still in the budget on the desk of the Governor.

Dr. Henry reported on the actual distribution of FACP salary pool amounts for addressing faculty salary compression. He noted the distribution had been based on the share of faculty salary dollars. Mr. Rackliffe added that $22K realized beyond the original estimate of $200,000 had been allocated for staff salary compression based on the same scheme. Dr. Adamson asked about the overall percentage for faculty given the additional allocation. Mr. Rackliffe responded that it was 2.5% with compression. Dr. Hudson pointed out that FACP had not discussed the details of how to distribute the pool. Dr. Tai made a motion to support the distribution as done. Dr. Kelley seconded the motion. The motion passed.

Prepared by Edgar Torbert
Approved May 12, 2004