Minutes of April 4, 2007

Members Attending: Paul Alberto, Paul Farnham, Ron Henry, Hugh Hudson, Fenwick Huss, Susan Kelley, Phillip Mitchem, Jerry Rackliffe, P.C. Tai

Others Attending: Ron Colarusso, Dean Dabney, Bill Fritz, Beth Jones, Robert Moore, Bill Nelson, Carmen Newton, Edgar Torbert, Shelly Williams

The minutes of March 28 were approved.

Salary compression

Dr. Henry distributed copies of “Oklahoma State University National Salary Study, Analysis of the Cost of Bringing GSU Full-Time Non-Visiting Faculty Salaries within the Average Salaries of Research High Institutions, Fall 2006”. He explained three options outlined in the handout for allocating faculty salary compression funds to the colleges: (a) by percentage share of total university faculty salaries; (b) by percentage share of total university salary differentials below the Research High averages; and (c) by percentage share of total university salary differentials below the Research High averages after discounting for a normal distribution of equivalent numbers of salaries above and below the average by department and rank. Dr. Henry emphasized that implementation of any allocation scheme would be contingent upon having sufficient new funds.

Dr. Colarusso asked for clarification of which faculty were included in the analysis; for example, whether only tenure-track. Dr. Henry replied that he would ask Ms. Posey to provide that detail.

Dr. Huss asked if the discussion at this meeting would focus on principles rather than reaching a final decision on allocation of the funds. Dr. Henry responded that the intent was to have preliminary discussion on two issues: (a) how to split salary compression funds between faculty and staff, and (b) how to allocate faculty salary compression funds among the colleges.

Dr. Tai commented that the third allocation scheme required only $320K in new funds, compared to $2.7M for the other two allocation schemes, which might allow some additional new funds to be used to close the gap between Georgia State and Research Very High institutions in certain areas. Dr. Henry replied that the gap overall relative to Research Very High institutions was in the range of $9M.

Dr. Hudson asked for a breakdown by department in order to get to the details of the issue. Dr. Huss echoed this point with respect to the very different situations among departments. Dr. Henry noted that FACP generally made its recommendations at the college level and left allocations within colleges to the respective deans. Dr. Huss commented that the various patterns of salary distributions among departments made averages misleading. Dr. Nelson spoke for allowing the colleges to decide how to deal with department-level variations.

Dr. Huss observed that it would be helpful to analyze salaries relative to portfolio schools, which were in the Research Very High category. Dr. Henry replied that the Research High category included peer institutions and some slightly above, but it was not clear which ones had participated
in the Oklahoma State study. He added that the University of Georgia and Georgia Tech were in the Research Very High category. Dr. Tai pointed out that although Georgia State was listed as Research High, some departments at Georgia State were at the Research Very High level of performance. Dr. Henry responded that the deans could decide how best to distribute the funds to such departments.

Dr. Hudson reiterated the point that the allocation scheme should not bind the deans with regard to how they in turn distribute the new funds allocated to the colleges. Dr. Henry noted this was the same principle applied to the raise pools. Dr. Huss pointed out that the deans were constrained by the size of their shares of the pie.

Dr. Dabney stated that the list of institutions participating in the Oklahoma State study was available from Ms. Posey. He added that the study averages included Georgia State, and that institutional participation by department was not known.

Dr. Huss commented that departmental data was needed in order to determine if time-at-rank situations compounded the effect of recent hires at high salaries. Dr. Hudson agreed that examination of data at the departmental level would impact sympathies for departments potentially targeted for funding. Dr. Huss observed that a finer analysis would address the real issue of compression. Dr. Nelson cautioned that an allocation scheme taking into account a normal distribution would hold better for larger groups.

Dr. Henry agreed to distribute departmental data and a list of the participating institutions prior to the next FACP meeting.

Mr. Mitchem asked about the funding source for addressing salary compression. Dr. Henry replied that the source would be a combination of new funds from the state appropriation as allocated to Georgia State by the Board of Regents and new funds from increased tuition revenues. He reminded that the level of new funding would determine if there were sufficient funds to address salary compression after funding prior commitments.

Dr. Farnham asked about the rationale for the first allocation scheme based on percentage share of total university faculty salaries. Dr. Henry responded there was no rationale.

Dr. Fritz asked if the Oklahoma State study included staff. Dr. Henry replied that the Oklahoma State study was for faculty only, and that a Southern University Group study included only high-level administrators. Dr. Rackliffe added that the Chronicle of Higher Education published annual reports of salaries by staff title and type of institution. Dr. Fritz commented that it was important to address staff salaries as well as faculty salaries in order to provide infrastructure support.

Dr. Rackliffe pointed out that the University of Georgia and Georgia Tech already had an advantage over Georgia State in state funding per student, which gave them an advantage in competition for faculty and staff. Dr. Henry responded that this was more a factor in salary scales rather than salary compression, which was being addressed in this instance.

Dr. Huss suggested focusing on departments, which had hired faculty in the last two years. Dr. Henry countered that such an approach would lose the benefit of the Oklahoma State benchmarks
since the same information could not be gleaned for the other participating institutions.

Dr. Tai commented that hiring at affordable levels was the reality of faculty hiring. Dr. Alberto added that the market exists independent of what Georgia State happens to pay. Dr. Henry noted the factor of the size of the pool in some cases where the market is very difficult. Dr. Farnham also noted the difference between the “super star” market and the “fresh out of graduate school” market. Dr. Nelson injected that salary was not the only factor in hiring as some come to Georgia State because of Atlanta, facilities, etc. Dr. Colorusso cited mathematics and science education faculty as an example of a very difficult market. Dr. Huss stated that finance faculty were likewise a very difficult market.

**FY2008 budget**

Dr. Rackliffe distributed an updated version of “Budget Considerations – Workload Targeted Funding Scenario, Fiscal Years 2007-2017”. He noted a downward adjustment of the current year tuition revenues over budget due to correction of refund totals. He also noted a projected net fiscal year balance of $2.3M for FY2008 versus prior commitments totaling $3M. He urged funding of the $19K minimum salary initiative from a combination of the FACP pool and savings due to a lower total of promotion raises than in prior years. Dr. Henry reminded that the institutional share of the faculty and staff raise pool was another commitment from additional tuition revenues.

Dr. Fritz reported that the increase of 300 freshmen was a “done deal,” but warned that it would be very difficult to repeat this increase for fall 2008 and beyond without additional resources for admissions, financial aid, registrar, advisement, etc. He noted that recruitment for fall 2008 had already begun for high school juniors without the benefit of additional resources to attract more to Georgia State. He added that additional resources were also needed to stem attrition.

Dr. Henry acknowledged receipt of an e-mail from Dr. Hudson requesting reconsideration of uses of the $1.8M to be realized from the tuition revenues attributable to the 300 additional freshmen in fall 2007. Dr. Hudson narrowed the request to reconsideration of how to allocate the $600K targeted for support functions relating to the enrollment growth. He stated opposition to allocating a portion of these support funds to IS&T given issues with IS&T charges to other units for the new IP telephony system reportedly above actual costs. Dr. Rackliffe pointed out that $300K of the support funds were targeted for Enrollment Services units with critical needs. Dr. Tai mentioned that the Research Office was another unit with critical needs. Dr. Rackliffe responded that the university share of indirect costs was the logical source for additional funding for the Research Office.

Dr. Farnham asked how Enrollment Services would use the additional $300K. Dr. Fritz replied that a 3-4 year plan to restructure Enrollment Services would cost $1.2-1.5M, and that this installment would go to financial aid, student accounts, and advisement.

Dr. Rackliffe noted the high return on the investment in Enrollment Services if the freshman class can grow by 1,000 students. Dr. Alberto responded that such growth might not be accomplished if the issue of clustering at the lower end of academic qualifications were addressed.

Dr. Hudson made a motion to recommend splitting the $600K in tuition revenues attributable to the
300 additional freshmen between Enrollment Services ($300K) and a holding account ($300K). Dr. Alberto seconded the motion. The motion passed.

Other items

Dr. Hudson urged Dr. Henry to investigate growing concerns about the new IP telephony system with respect to increased costs for academic departments and an increased revenue stream for IS&T.

Dr. Rackliffe announced that raise pools would be distributed to the colleges and vice presidential units within a week. He asked for a recommendation to use the FACP pool for the $19K minimum salary initiative. Dr. Tai made a motion to recommend raising the minimum salary to $19K [source specified as salary compression pool at meeting on April 18, 2007]. Mr. Mitchem seconded the motion. The motion passed.

Prepared by Edgar Torbert
Approved April 18, 2007