FISCAL ADVISORY COMMITTEE TO THE PRESIDENT
Minutes of May 7, 2007

Members Attending: Paul Alberto, Paul Farnham, Ron Henry, Hugh Hudson, Steve Kaminshine (for Fenwick Huss), Susan Kelley, Robin Morris, Jerry Rackliffe, Phillip Mitchem, P.C. Tai

Others Attending: Ron Colarusso, Dean Dabney, Charlene Hurt, Beth Jones, Bill Nelson, Robert Moore, Fred Mote, Edgar Torbert, Shelley Williams

The minutes of April 25 were approved.

Dr. Henry read portions of the budget allocation letter from Chancellor Davis, which emphasized University System strategic goals: renewing excellence in undergraduate education; transforming the core curriculum; creating enrollment capacity; increasing participation in economic development; strengthening partnerships with other educational agencies; and increasing efficiency. Dr. Henry noted each of the four research universities received unrestricted allocations of $800K above their workload funds and additional revenues from increased tuition rates.

Dr. Rackliffe distributed copies of “Budget Considerations, Fiscal Years 2007-2008, Draft-For Discussion Purposes Only”, which outlined a revenue and expenditure scenario resulting in a balanced budget and the possibility of $5M in contingency funds for mid-year allocation, if enrollment goals are met. Dr. Rackliffe offered line-by-line explanations of the spreadsheet, and pointed out that previously unbudgeted interest income of $1.1M would allow the continuing budget to be balanced without a structural deficit.

Dr. Henry noted that the scenario included allocations of approximately 1% of current budget to each of the colleges as linked to their new funding requests and their share of increased graduate tuition revenues due to the tuition increases. He cautioned that the “fixed for four” (FFF) tuition program would eventually flatten tuition revenues. He added on the positive side that new workload funds for the University System attributable to Georgia State for FY2009 would be $10M, of which Georgia State could expect a healthy share.

Dr. Farnham asked how the FFF program had been factored into the revenue projections on the spreadsheet. Dr. Rackliffe replied that a net effect tuition increase of 9% had been applied. Dr. Henry commented that the FFF program takes advantage of students who drop out early and thereby miss the savings realized over the full four years.

Dr. Hudson asked about the academic contingency fund of $500K. Dr. Henry replied that these funds would be used to address unmet demand in the College of Arts and Sciences.

Dr. Hudson asked about the prospects for meeting the enrollment goals on which the proposed budget was based. Dr. Henry replied that the latest admissions figures looked good, but meeting goals would be dependent upon a yield rate of 50%. He added that transfer admissions looked strong and would probably exceed the goal of increasing transfers by 100. Dr. Alberto asked about the productivity of the transfer agreement with Georgia Perimeter College. Dr. Henry replied that the agreement was only in its first year and applied to students who had attended GPC two years.
Dr. Tai asked about the line item of $800K for research initiative funding. Dr. Henry responded that this was the previously mentioned allocation for each of the research universities without specific directives for how to use.

Dr. Morris pointed out that the scenario presented on the spreadsheet reflected no new funding for the vice presidential areas. He urged that the vice presidential areas be included in the consideration of contingency funds at mid-year.

Dr. Tai made a motion to recommend the scenario presented by Dr. Rackliffe as the budget plan for FY2008 allocations. Dr. Morris seconded the motion. The motion passed.

Dr. Hudson commented that the system allocation process was bizarre, but appeared to work moderately well for Georgia State this year. Dr. Kaminshine observed that the positive outcome was largely due to the tuition increase and asked about potential political consequences. Dr. Henry answered that the economics of the FFF program dictated the larger than normal tuition increases.

Dr. Alberto requested that the deans be reminded of the call in prior years for transparency in the administration of the merit raise pools for faculty and staff.

Prepared by Edgar Torbert
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