
Others Attending: Lauren Adamson, Charlene Hurt, Beth Jones, Randy Kamphaus, Robert Moore, Bill Prigge, Edgar Torbert

The minutes of May 7 were approved.

Overview of FY2008 Budget

Dr. Henry congratulated all who helped the university surpass the enrollment goals for FY2008 and start FY2008 with a balanced budget. He pointed out that all revenues over budget would be needed to add classroom and office space in order to accommodate the larger enrollment and new faculty. He added that the Enrollment Management Committee had recommended growth in the number of new freshmen at a similar rate until the targeted class size of 3,000 was reached in fall 2010, with a pause in growth thereafter in order to focus on quality issues.

Dr. Henry commented that the Board of Regents staff was not in agreement on an allocation methodology, which would allow the system universities to plan for future years. He predicted Georgia State would receive as pass-through dollars approximately 50% of the $10M in FY2009 workload dollars generated for the University System by Georgia State. He added that the Board of Regents would probably use its balance of workload dollars to fund elements of the new University System strategic plan, which would hopefully result in additional targeted funding for Georgia State. He cautioned that the tuition increase, which was crucial in balancing the FY2008 budget, would be less in FY2009.

Dr. Tai voiced concern about availability of office space for new faculty being hired to accommodate enrollment growth. Dr. Henry responded that the addition of 40-50 new faculty in FY2008 had required some scrambling, and that some of the additional revenues realized from the subsequent increase in the number of sophomores in FY2009 would be needed in FY2009 to address the shortage of faculty offices. He pointed to the Classroom South and Citizens Trust projects as means of addressing this issue in FY2008.

Dr. Fritz reported final enrollment figures for fall 2007 were still to be determined because of 100-150 students with tuition payment issues. He estimated the final figures would be over 322K credit hours and over 27K students. He noted that all enrollment targets had been exceeded for fall 2007, and he assured there would also be aggressive recruitment efforts for fall 2008. He urged attention to recruitment of graduate students as well as undergraduates.

Dr. Alberto asked about consultations with the college deans concerning graduate student capacities by program. Dr. Henry replied that the topic had been introduced at Deans Group, and the deans would be providing this input.

FY2008 Budget Details
Dr. Rackliffe distributed “Tuition Revenue Analysis, Fiscal Year 2008” showing a shortfall for the summer 2007 of $435K and a surplus of $187K for fall 2007. He noted out-of-state tuition revenues were above the budgeted amounts for the first time in several years while in-state tuition revenues were below the budgeted amounts. He indicated that a continuation in spring 2008 of the patterns for fall 2007 would result in actual revenues for the fiscal year being virtually equal to the budgeted amounts.

Dr. Rackliffe distributed “Schedule of Credit Hours, Tuition and Fees, Fall Semester, 2007” to provide insight as to why actual revenues in fall 2007 did not fully reflect the increase in credit hours. He pointed out the overall 5% increases in both undergraduate and graduate credit hours were spread across colleges with the only double-digit increase in graduate credit hours for the Robinson College of Business (12%). He noted that the multi-year decline in students enrolled for 6-or-fewer credit hours had halted, perhaps as a result of the newly prorated mandatory fees for such students. He also noted 4-6% increases in students taking more than 12 credit hours, which did not impact tuition revenues for those credit hours taken beyond the tuition plateau.

Dr. Rackliffe distributed “Semester Credit Hour and Plateau Comparison, Fall, 2006 to Fall, 2007” showing headcounts, total credit hours, and total under/equal-plateau credit hours by number of credit hours taken from 0.5 credit hours to 33 credit hours. He noted 50K unpaid, above-plateau credit hours in fall 2007, which was an increase of 3,300 over fall 2006.

Dr. Rackliffe distributed “Budget Considerations - Fund Code 10 General Funds, Fiscal Year 2008” showing total revenues and expenditures of approximately $321M and then non-budgeted needs of $6M total for STL and library acquisitions and potential sources to cover these needs in the amount of $12M total from unbudgeted interest income, fringe benefit savings, end-of-year sweep, delay of SRL rental payments, etc.

Dr. Rackliffe distributed “Schedule of CBSAC Sources and Uses, Fiscal Year 2008” showing sources totaling $7.5M from the continuing $1.7M Fund Code 50 budget and the $5.8M balance of the potential sources outlined in “Budget Considerations” and uses totaling $7.9M including the Classroom South and Citizens Trust projects, streetscape project matching funds, etc. He added that IS&T would cover the $600K network connectivity piece of the Citizen Trust project from telephony-related funds so that the $400K shortfall could revert to a $200K surplus.

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Dr. Tai asked about changes in the numbers for non-resident students. Dr. Fritz responded that there had been more aggressive recruiting of non-residents. Drs. Rackliffe and Fritz added that the number of waivers for non-residents had grown in part because of a new category of dependent waivers established by the Board of Regents for non-resident students with one Georgia-resident parent. Dr. Rackliffe observed that the actual in-state tuition revenue increase of 13%, normalized against the credit hour and tuition rate increases, would enable fine-tuning of the tuition revenue model for the new fixed-for-four tuition plan adopted by the Board of Regents.

Dr. Tai asked about the timetable for occupying space in SunTrust. Dr. Henry replied that SunTrust would continue using all space in the main tower for five years unless another bank were to buy them out. He added that the parking garage annex across the alley did have some space available which is being renovated for CollabTech. Dr. Tai asked if there was additional space above or
below CollabTech for faculty offices. Dr. Henry responded that the other floors were in use by SunTrust.

Other Business

Dr. Henry stated that although surplus funds would fail to materialize for significant mid-year contingency allocations given the reports presented at this meeting, FACP would be engaging in a lot of business during the year, including the forthcoming proposals for mandatory fee increases and determination of how to allocate new funds in FY2009. Dr. Fritz commented on the importance of maintaining the across-the-board collaboration which had led to the enrollment successes in FY2008.

Dr. Moore asked about the prospects for implementing the business-model approach advocated by the Chancellor given the present impasse over the allocation methodology. Dr. Henry answered that the impasse would eventually be broken in favor of the business-model approach.

Dr. Moore asked about the possibility of raising the tuition plateau from 12 credit hours to 15. Dr. Henry replied that support was building, with the University of Georgia now either neutral or slightly in favor after having opposed the change in the past.

Dr. Adamson called attention to the need for additional funding for graduate students in order to succeed in increasing graduate student enrollments. Dr. Henry responded that specific information would be requested from the deans. Dr. Rackliffe added that the current multi-year budget models called for a modest increase in graduate students in FY2009, but more aggressive growth in future years.

Dr. Rackliffe distributed “University System of Georgia, Annual Expenditure Report, FY2007 Statistics - General Funds, Total Expenditures/FTE” showing expenditures per FTE student for instruction, research, service, academic support, student services, institutional support, OMP, and scholarships for each system institution. He noted Georgia State had total expenditures of $11.7K per FTE while Georgia Tech and the University of Georgia had $20.2K and $16.3K respectively.

Dr. Henry pointed to the importance of faculty appropriately reporting time on research through the new PERS procedures in order to reflect research expenditures per FTE consistent with research university status. Dr. Rackliffe added that Georgia State did not budget separate instructional, research and service lines for each faculty salary as done at other research universities in their original budgets, but made the adjustments at the end of the fiscal year to reflect those distributions.

Dr. Adamson recommended development of guidelines to inform faculty how PERS should be completed. Dr. Morris stated the new PERS would capture this information more thoroughly than ever before. He agreed discussion was needed in order to encourage consistency in reporting. Dr. Henry indicated the Deans Group would address this issue.

Dr. Tai asked if there was an ideal distribution across instruction, research and service. Dr. Rackliffe agreed this should be discussed by the deans and advised there might be differences among colleges. Dr. Henry noted that 10% instruction per class taught was a national norm.
Dr. Rackliffe explained that the student services expenditures per FTE student were high for Georgia State because academic assistance offices at Georgia State were coded as student services rather than as academic support as done by other universities. He indicated that changing this coding and restructuring of inter-year flip flops could be used to fine tune the expenditure distribution for Georgia State.

Dr. Huss asked about the current category of academic support for Georgia State. Dr. Rackliffe responded that the libraries and the provost area were the primary components as currently reported. He added that the figures showed Georgia State as efficient in virtually all areas.

Dr. Moore commented that Georgia State was disturbingly closer to some of the non-research universities than the other research universities in total expenditures per FTE student. Dr. Farnham asked about the outlier figures for Medical College of Georgia. Dr. Rackliffe replied that the figures were skewed for instruction in part because MCG did not have lower division undergraduate students. He added that MCG coded research expenditures in a very narrow way for specific research centers only.

Dr. Huss asked about the understanding of the Board of Regents of the expenditures per FTE student table. Dr. Rackliffe responded that Georgia State had encouraged examination of outliers. Dr. Morris warned that the State of Florida had used such information to eliminate state dollars for research.

Prepared by Edgar Torbert
Approved October 10, 2007