Dr. Henry opened the meeting with a summary statement of the new funding approved by the Board of Regents for FY2009. He cited as good news, $5.5M in enrollment growth earnings, $1.2M for faculty salary compression, and an 8% increase in “fixed for four” tuition for entering freshmen. He cited as bad news, funding for only two of the targeted enhancements pursued by Georgia State. The funded targeted enhancements were $425K for research and $430K for STEM. Dr. Henry also noted approved mandatory fee increases of $85 for athletics and $21 for student activities.

Dr. Rackliffe handed out a spreadsheet, “Budget Considerations, Fiscal Years 2008-2009” detailing the approved new funding, earmarked uses, etc. showing a net continuing budget of $7.4M and a net fiscal year budget of $15.8M. Dr. Rackliffe recommended reserving an $8-10M cushion from the net fiscal year budget in order to deal with mid-year budget cuts in the event the economy worsens.

Dr. Henry handed out summaries of potential new income, encumbrances, and commitments for FY2009. Dr. Henry noted the new income of $2-2.5M attributed to increasing the freshman class and the continuation of sophomores from the previous increase was not included in his analysis since those new revenues had already been allocated upon the recommendation of FACP.

Dr. Henry elaborated on his recommended potential encumbrances beginning with a four-year plan to increase the FC10 budgets of the libraries by $300K per year in order to eliminate the current dependence on annual allocations of one-time funds for acquisitions. Dr. Henry explained that his recommendation of $1M for graduate assistant stipends was split between undesignated new funds and the target enhancement for research in order to conform with the request to the Board of Regents which specified $200K for graduate assistants. He noted the remaining $225K of the targeted enhancement for research would go to research infrastructure. Dr. Henry pointed out that his recommendation of $600K for QEP start-up costs included continued funding of costs covered by one-time allocations in FY2008 as well as the new costs in FY2009 and would be part of a five-year plan to invest $1.68M in QEP. Dr. Henry recommended a first-year allocation of $1.2M to second-cycle Areas of Focus with $5M projected over three years.

Dr. Henry reviewed a list of $1.4M in commitments made to deans and vice presidents during FY2008, which entailed allocating continuing funding in FY2009. These items included: $225K for CBN positions going off sponsored funding; $45K for faculty position upgrade in Philosophy; $100K toward base for the Lenny Chair in Marketing; $200K toward base for faculty position in International Business; $60K to move staff member from Robinson College of Business Development to University Development; $165K toward base for Usery Chair in Economics; $100K for new associate dean for science and mathematics education in College of Education; $210K for
additional positions and support in the Research Office; $68K for a new position in Legal Affairs; $70K for new positions in International Affairs; and $156K for positions in the new Emergency Management Office.

Dr. Henry pointed out that the combination of revenues, encumbrances and commitments as presented left $2.9M for allocation toward the budget requests of the deans and vice presidents, very close to 1% of the current budgets. He asked for guidance from FACP as to how to allocate the graduate assistant funds, the Areas of Focus funds, and the 1% amount.

Dr. Tai asked if the 1% amount could be increased. Dr. Henry replied that any increase would require an offsetting decrease in the encumbrances he had listed in order to present a balanced budget to the Board of Regents.

Dr. Kelley asked if the $1.4M in commitments made during FY2008 should factor in decisions for allocating the 1% amount. Dr. Henry answered this was left to the discretion of FACP.

Dr. Hudson asked if the analysis of revenues and uses presented by Dr. Henry reconciled with the analysis presented by Dr. Rackliffe. Drs. Henry and Rackliffe so confirmed.

Dr. Kaminshine asked about the impact of only $200K on staff salaries. Dr. Henry responded that while the total amount was small, it was envisioned a small number of cases would be addressed by the deans and vice presidents.

Dr. Adamson asked about rules for the faculty salary compression dollars. Dr. Henry replied that the fundamental principle was to use the funds to address the most significant compression. He stated that faculty receiving salary compression adjustments must receive at least a 2.5% merit raise.

Dr. Adamson asked about a plan for allocating the graduate assistant funds. Dr. Henry indicated that he and Dr. Morris would be devising a plan prior to the FACP meeting on April 18. Dr. Henry added that the plan would focus on PhD student support in the form of graduate research assistantships. Dr. Morris reiterated that the targeted enhancement funding for research was tied to generation of research funding as the measure for retention of those funds.

Dr. Huss asked about special cases of salary compression relative to external markets rather than within departments. Dr. Henry indicated that justifications would be considered.

Dr. Torbert was asked to distribute spreadsheets to the FACP members for submission of their funding recommendations by 10:00 a.m., Friday, April 18.

Prepared by Edgar Torbert
Approved April 18, 2008