Dr. Henry advised that state revenues were lagging, and budget cuts in the range of 2-3% after July 1, 2008 were likely. Dr. Henry responded to suggestions that allocations to the colleges and vice presidential areas be 1.5% rather than 1% with reference to the firm requirement to present a balanced original budget of continuing funds to the Board of Regents and the added importance of doing so with the arrival of a new president. Dr. Rackliffe echoed this point noting that 1.5% would entail splitting allocations between continuing funds and one-time funds. Dr. Morris stated his sources also indicated budget cuts were coming.

Dr. Hudson pointed out that people across the university had worked hard and sacrificed to generate enrollment growth and in turn new workload dollars, and that a 1% allocation was inadequate to reward those efforts and advance the university. Dr. Hudson added that the budget requests from the deans and vice presidents had set forth the best ideas of what was needed for the university to move forward. Dr. Henry replied that the encumbrances and commitments discussed at the April 16 meeting were investments in targeted university enhancements, for example Areas of Focus II and graduate assistant stipends.

Dr. Huss suggested allocating 1.5%, but holding back $1.2M for Areas of Focus II since faculty positions for such were unlikely to be filled in the first year. Dr. Henry responded that this holdback would require committing FY2010 funds off the top and then another commitment of FY2010 funds for the second year of Areas of Focus II in order to keep on schedule. Dr. Morris commented that the result would be slowing Areas of Focus II in half. Dr. Huss pointed to the need to fund operations, which bring in students, such as marketing efforts in the fall to recruit students for the following year. Dr. Kaminshine cautioned against any strategy, which would in effect treat temporary dollars as base budget dollars.

Dr. Farnham made a motion to proceed with allocating continuing funds toward the budget requests of the colleges and vice presidential areas in the amount of 1% ($2.9M) and designating contingency funds toward the budget requests of the colleges and vice presidential areas in the amount of 0.5% ($1.45M) for transfer after fall revenues and budget cuts are known and to be made continuing funds in the following year. Dr. Morris seconded the motion.

Dr. Kamphaus urged decisions as early as possible about the contingency funds so that faculty searches can be completed for FY2010 hires. Dr. Kelley asked if this approach would still mean budget cuts would be covered centrally. Drs. Henry and Rackliffe answered that the cushion discussed at the April 16 meeting would cover cuts in the anticipated range.
Dr. Alberto suggested that deans might wish to modify their budget requests if given the opportunity again in September rather than designating the contingency funds now. Dr. Adamson responded that deans would prefer to know now in order to maximize their flexibility in moving funds.

Dr. Kaminshine observed that deans might have packaged their requests differently had they known there would be a 1% allocation followed by a 0.5% allocation. He noted the case of submitting two faculty positions, each consuming 1%, under the assumption probably one would be funded and not the other and with no margin under the 2% cap for a lesser third request, which could be addressed by 0.5% funding.

Dr. Henry pointed out in response to comments about follow-up checks of how new dollars were actually spent, that Action Plan commitments were consistently checked off to account for how funds earmarked for that purpose were used.

The motion passed.

It was agreed Dr. Torbert would send out a new spreadsheet for FACP members to submit their recommendations for 1% and 0.5% funding by 10:00 a.m., Wednesday, April 23.

Dr. Tai asked about proposed allocation of the graduate assistantship funds. Dr. Henry stated that he and Dr. Morris had derived a proposed allocation based on the number of funded full-time PhD students. Dr. Henry added that research productivity was tied to continuation of the targeted enhancement funds received from the Board of Regents for research, and that for this reason the graduate assistantship funds were directed toward PhD programs only. Dr. Morris also added that the funds were intended to increase the value of existing assistantships to a base of $12K in order to recruit better candidates.

Dr. Henry listed the allocation as follows: Arts & Sciences $640K, Robinson College of Business $110K, College of Education $130K, College of Health & Human Sciences $10K, Andrew Young School of Policy Studies $110K.

Dr. Moore asked for clarification that the funds were to be used to boost current assistantships instead of adding more assistantships. Drs. Henry and Morris confirmed that the funds were to be used first to boost graduate research assistantships specifically to a state-funded base of $12K.

Dr. Huss made a motion to allocate the graduate assistantship funds as proposed. Dr. Hudson seconded the motion. The motion passed.

Prepared by Edgar Torbert
Approved April 23, 2008