FISCAL ADVISORY COMMITTEE TO THE PRESIDENT
Minutes of October 21, 2008

Members Attending: Paul Alberto, Pam Barr, Ron Henry, Hugh Hudson, Steve Kaminshine, Susan Kelley, John Medlock, Jerry Rackcliffe, P.C. Tai

Others Attending: Lauren Adamson, Beth Jones, Robert Moore, Fred Mote, Tim Renick, Nan Seamans, Edgar Torbert

The minutes of September 17 were approved as distributed.

Budget update

Dr. Henry reported no news regarding the FY2009 budget cuts, etc. He indicated the decision about January 1, 2009, merit raises would likely be made in December, 2008 and would be applied system-wide. He added that the 6% cuts ratified by the Board of Regents at their October, 2008 meeting would likely increase to at least 8%, which would then necessitate capture of the 1% “hold” funds recommended by FACP.

FY2010 budget impact of increasing new freshman class by 200

Dr. Henry explained the planned increase in the size of the new freshman class by 200 would result in an increase of tuition revenues by $2.6M for FY2010. Dr. Henry distributed a summary of how these revenues could be used to provide instruction and services for the additional students, to upgrade research security and campus security in response to the GAO report to Congress on the BL-4 facility, to address unmet demand, etc. He noted the need to make decisions now in order to proceed with faculty recruitment in a timely manner.

The allocations proposed by Dr. Henry included: $640K for new instructional resources in Arts & Sciences for entering freshmen; $620K for impact of 200 juniors in the pipeline from the Fall 2006 cohort ($100K for Arts & Sciences, $300K for Robinson College of Business, $75,000 for Health & Human Sciences, $70K for Education, $75K for Andrew Young School of Policy Studies); $580K for CTW courses in Arts & Sciences; $640K for non-college allocations ($240K for Enrollment Services, $200K for research security, $100K for campus security, $100K for unmet demand reserve); and $160K for other commitments ($34.5K for a Philosophy faculty position, $125.5K for a CBN faculty position).

Dr. Hudson asked about funding for CTW in colleges other than Arts & Sciences. Dr. Henry replied that the other colleges were taking different approaches with the bulk of their CTW related expenses for training rather than faculty hires.

Mr. Mote asked about funding for offices for new faculty. Dr. Henry responded that Courtland North would re-open in Spring 2009 for use as swing space and offices for new faculty. He added there might be other options for offices after the actual budget cuts and new funding are known.

Dr. Kaminshine made a motion to recommend the proposed distribution of FY2010 tuition revenues. Dr. Kelley seconded the motion. The motion passed.
Other discussion

Dr. Hudson pointed out that in 1976 the Board of Regents lost a court case arising from an attempt to violate faculty contracts, which he commented would be the situation again if faculty raises were rescinded. Dr. Kaminshine responded that the contracts did not bind the University System to provide earmarked funding to institutions to cover raises, but instead only required institutions to pay the raises out whatever funding they have. Dr. Henry added it was likely institutions would have to fund raises from currently budgeted funds over and above any budget cuts.

Prepared by Edgar Torbert
Approved November 5, 2008