Minutes of September 16, 2009

Members Attending: Greg Abt, Paul Alberto, Pam Barr, David Caudill, Hugh Hudson, Steve Kaminshine, Susan Kelley, Risa Palm, Jerry Rackliffe, P.C. Tai

Others Attending: Lauren Adamson, Bart Hildreth, Beth Jones, Randy Kamphaus, Bill Prigge, Tim Renick, Nan Seamans, Edgar Torbert

The minutes of August 12, 2009, were approved.

Budget update

Dr. Rackliffe distributed spreadsheets, “State of Georgia, Comparative Net Revenue Collections Less Motor Fuel Revenues, Fiscal Years 2007-2010” and “Georgia State University, Budget Considerations, Fiscal Years 2010-2011”.

Dr. Rackliffe summarized the State of Georgia revenues snapshot as follows: Revenues will be down 11% for the year if revenues are flat relative to the prior year from September 2009 through June 2010. Revenues will probably be down 12-14% if revenues are down through December 2009 and flat or up from January 2010 through June 2010. The worst case scenario would be in the range of 17% down.

Dr. Rackliffe noted Georgia State had budgeted for FY2010 with an assumption of 12.5% cuts. He expressed confidence the Georgia State budget would be essentially workable as planned for the 12-14% range of cuts.

Dr. Rackliffe explained each line of the budget considerations spreadsheet. He noted the state appropriations line for FY2011 reflected the net of 12.5% cuts and an estimated $6M in new workload dollars passed through from the funding formula appropriation to the University System. He also noted the OMP savings line reflected the partial year savings for the Science Park in FY2010 and the SunTrust building in FY2011.

Dr. Alberto asked about savings from closing down the university on mandatory furlough and vacation days. Dr. Rackliffe reported the Labor Day closure had shown actual savings for some buildings, but cautioned rate increases and the high cost of utilities for science buildings, which must be operated 24/7, would offset savings substantially.

Mr. Caudill asked about the timing of the so called “return on investment” swaps of FC15 dollars for FC10 dollars. Dr. Rackliffe predicted closings for the properties would be accomplished by the end of September 2009.

Dr. Rackliffe reminded FY2011 would be the last year of the federal stimulus dollars. He emphasized the importance of the strategic enrollment growth dollars in helping Georgia State to grow out of the budget problems to the fullest extent possible. He noted the growth in credit hours continued to look strong.
Dr. Rackliffe pointed out the SunTrust rent payment ramp-up would be $1.4M per year for three years starting in FY2011, just as there had been a ramp-up prior to construction of the Science Park. Dr. Adamson noted these funds would be available as one-time funds in the years prior to occupying SunTrust.

Dr. Tai asked about funding for the Science Park move-in. Dr. Rackliffe answered move-in costs were included in the project budget.

FY2011 allocations for additional new freshmen and previous cohorts

Dr. Palm called attention to the model developed by Dr. Henry and Dr. Rackliffe to track course enrollment impacts of the increases in numbers of new freshmen and subsequently of their retained cohorts at the sophomore, junior and senior levels. Dr. Palm noted the resulting needs for new instructional resources in Arts & Sciences and Business for lower division (LD) undergraduates, and in Arts & Sciences, Business, Education, Health & Human Sciences, and Policy Studies for upper division (UD) undergraduates, as computed from the model: (1) Arts & Sciences-$720,000 (LD), $500,000 (UD); (2) Business-$100,000 (LD), $320,000 (UD); (3) Education-$70,000 (UD); (4) Health & Human Sciences-$80,000 (UD); and Policy Studies-$30,000 (UD).

Dr. Kelley commented that an early decision on these allocations would be helpful in the current faculty hiring cycle. Dr. Hildreth asked how shifts in enrollment patterns from year to year were reflected in the calculations. Dr. Rackliffe responded the patterns had been very stable in the years since the model was devised. Dr. Palm added demonstration of a massive migration of credit hours would result in a change in the model. Dr. Adamson observed the model had been remarkably accurate in recent years. Dr. Renick pointed out the addition of over 2,000 students had resulted in only two additional sections of core courses being added outside those predicted by the model.

Dr. Kaminshine asked about the separate allocation of $255,000 for CTW courses. Dr. Torbert replied this allocation was kept separate for tracking purposes relative to the funding commitment attached to the QEP component for SACS accreditation.

Dr. Alberto and Dr. Kamphaus noted anticipated enrollment increases in the College of Education because of changes in accreditation, cohort size, and the Newton County satellite operation. Dr. Adamson reminded the model only addressed undergraduate enrollments. She suggested unmet demand funds as the potential source for funding this growth in the College of Education.

Dr. Seamans warned on-line subscription licenses jump dramatically when full-time equivalent enrollments exceed 25,000. She cited an estimated $400K effect.

Dr. Kaminshine made a motion to recommend the FY2011 allocations as presented. Dr. Kelley seconded the motion. The motion passed.

Prepared by Edgar Torbert
Approved October 28, 2009