FISCAL ADVISORY COMMITTEE TO THE PRESIDENT
Minutes of February 17, 18, 25 & March 1, 2010

Members Attending (February 17): Greg Abt, Lauren Adamson (for Susan Kelley), Paul Alberto, Pam Barr, David Caudill, Hugh Hudson, Steve Kaminshine, Risa Palm, Jerry Rackliffe, P.C. Tai

Others Attending: J.L. Albert, Bart Hildreth, Beth Jones, Bill Prigge, Tim Renick, Anthony Roberts, Nan Seamans, Edgar Torbert

February 17, 2010

The minutes of December 2, 2009, were approved.

Dr. Rackliffe presented an update on the FY2010 budget and projected budgets for future years.

Dr. Rackliffe distributed copies of “State of Georgia, Comparative Net Revenue Collections Less Motor Fuel Revenues, Fiscal Years 2007-2010”, which showed the net shortfall in state revenues after use of reserves to be 13.86%, if revenues were flat for the remainder of the fiscal year (February-June 2010). Dr. Rackliffe noted the university budget model assumed a shortfall of 14.5%.

Dr. Rackliffe distributed copies of “Georgia State University, Schedule of Budget Cuts @ 4.3%, Fiscal Year 2010”, which showed net budget cuts for the colleges and vice presidential areas after 4.3% cuts, SIF offsets and ROI partial year 16% returns.

Dr. Rackliffe distributed copies of “Georgia State University, Schedule of Budget Cuts @ 6.2%, Fiscal Year 2011”, which showed net budget cuts for the colleges and vice presidential areas after 6.2% cuts, SIF offsets and ROI 20% full year returns.

Dr. Rackliffe distributed copies of “Georgia State University, Budget Considerations, Fiscal Years 2010-2013”. Dr. Rackliffe pointed out the effects on revenues of sunsets for federal stimulus funds after FY2011 and for SIF and TIF after FY2012 and projected annual tuition rate increases of 6% on non-fixed-for-four students. He noted effects on expenditures of the strategic enrollment growth allocations and the Science Park and SunTrust buildings, including the three-year ramp-up for SunTrust rent payments. Dr. Rackliffe also reminded the committee of several continuing funding needs beyond the base budget including library acquisitions, “2CI” initiative, strategic graduate enrollment plan, strategic infrastructure plan, recruitment plan, and Alpharetta Center. He additionally cited several one-time funding needs such as the expansion of Classroom South, Internet cabling to the Alpharetta Center, and science teaching laboratory equipment.

Dr. Rackliffe distributed copies of “Georgia State University, Schedule of Budget Cuts @ 4.3%, Fiscal Year 2011”. He indicated 4.3% cuts might be sufficient with additional revenues from enrollment growth. Dr. Kaminshine made a motion to recommend 4.3% cuts for FY2011. Dr. Barr seconded the motion. The motion passed.

February 18, 2010 (called meeting)
Dr. Palm noted the email from Dr. Hudson concerning the possibility of reducing FY2010 furloughs and the need to look at the implications of such a proposal. Mr. Lewis cautioned there could be political consequences to any change in the announced furloughs. He commented on related conversations he and Dr. Becker had had with key legislators.

Mr. Lewis reported the legislature would be taking a one week break to allow conferees from both houses to work on a plan for balancing the FY2011 state budget. Mr. Lewis also noted pending action on the guns on campus legislation and the extension of the funds carry-forward legislation, which would set this fiscal year unless extended. Mr. Lewis cautioned the current situation was very dire and any “freed” funds would be seen as targets for helping meet the challenges. He added substantial tuition increases were seen as a potential budget balancing action by some members of the Senate.

Dr. Rackliffe reported the latest information about February 2010 state revenues was very disappointing, and asked the committee to disregard the models presented and recommendations passed on February 17, 2010. The committee agreed to rescind those recommendations.

February 25, 2010 (called meeting)

Dr. Becker announced the Chancellor was asked by legislators to prepare on short notice a scenario of how the University System would absorb cuts of $300M on top of the cuts originally proposed by the Governor. Dr. Becker stated the Georgia State share of the additional hypothetical cuts to be $34M, and he asked for the deans and vice presidents to forward suggestions of cuts. He added the Georgia State list of potential cuts would be due February 27, 2010. He emphasized the list must include only items, which Georgia State would actually be willing to cut in a worst case scenario.

March 1, 2010 (called meeting)

Dr. Becker distributed copies of the summary of potential cuts by each University System institution presented by the Chancellor, and noted related documents were posted on the University System web site. He reiterated the list of potential cuts was not a plan, but a means to help legislators calibrate the impact on Georgia public higher education of additional cuts of $300M. Dr. Becker announced a town hall meeting on March 3, 2010, to answer questions from the campus community about the Georgia State response to the request from the legislature.

Prepared by Edgar Torbert
Approved April 14, 2010