FISCAL ADVISORY COMMITTEE TO THE PRESIDENT  
Minutes of May 12, 2010  

Members Attending: Paul Alberto, David Caudill, James Dutton, Hugh Hudson, Fenwick Huss (for Susan Kelley), Steve Kaminshine, Robin Morris, Risa Palm, Jerry Rackliffe, P.C. Tai, Katherine Willoughby  

Others Attending: Greg Abt, Lauren Adamson, J.L. Albert, Amber Amari, Beth Jones, Robert Moore, Carmen Newton, Bill Prigge, Tim Renick, Anthony Roberts, Nan Seamans, Edgar Torbert  

The minutes of April 14, 2010, were approved.  

FY2011 Budget  

Dr. Rackliffe distributed a spreadsheet, “Georgia State University, Budget Considerations, Fiscal Years 2010 – 2013”, showing revenues and expenditures for each of the budget years. Dr. Rackliffe cautioned that the FY2011 budget shown on the spreadsheet depended on enrollment targets for new freshmen and transfers being realized and was now vulnerable to a budget cut up front given the downturn in April 2010 state revenues. Dr. Rackliffe explained FY2012 and FY2013 were also included on the spreadsheet in order to show the impact of federal stimulus and SIF funds ending in those years.  

Dr. Rackliffe noted the recently announced $500 per semester tuition increase would not apply to students who entered under the “Fixed-for-Four” plan. He warned that the tuition differential between Georgia State and some of its traditional USG feeder institutions would be greater and would likely have a negative effect on transfers.  

Dr. Rackliffe pointed out that the net change FY2010 to FY2011 in state appropriation dollars after budget cuts, enrollment growth, etc. would be a loss of $17M. He also pointed out that federal stimulus funds in FY2011 would be only $2.7M because of the shift of federal stimulus dollars to FY2010 by the State of Georgia as allowed by the overlap of state fiscal years with the federal fiscal year.  

Dr. Rackliffe reminded that the extra professional degree program differential tuition dollars for the Robinson College of Business and College of Law building projects were temporarily parked in the rents line of the budget. He also commented on the initiation of the SunTrust debt service line in the budget with a three-year ramp-up, the new student assistantship initiative budget line designed to address the effect of tuition increases on Pell Grant-assisted students, and a line in the projected FY2013 budget for the anticipated opportunity to address salary compression caused by successive years of no merit raises while new hires entered with higher base salaries. Dr. Tai asked if the salary compression initiative would be tied to the merit raise process. Dr. Rackliffe affirmed and stated the Board of Regents had limited raises to counter offers. Dr. Hudson suggested the fifth year review as another trigger point for faculty raises in addition to the current raises at time of promotion. Mr. Caudill asked if the counter offer premise applied to staff. Dr. Rackliffe confirmed staff were also eligible. Dr. Alberto noted the budget spreadsheet did not include a line for counter offers. Dr. Palm responded that the colleges and other units would have to fund such from their own resources, but that this time only counter offers or exceptional issues of
inequity are being approved.

Mr. Dutton asked if the sunset of SIF fees would apply to student activity type fees that had been approved under the cap on SIF fees. Dr. Rackliffe replied the sunset of SIF would only apply to the FC10 (state) dollars whereas mandatory student fees are FC13 dollars.

Dr. Adamson asked if furloughs would end with FY2010. Dr. Rackliffe answered that furloughs were not a part of the original FY2011 budget; however, he noted the possibility that the Board of Regents could reinstitute furloughs in FY2011 to address budget cuts or if these were mandated by the state to address revenue shortfalls. He acknowledged there were political factors in the application of furloughs as the state faces revenue shortfalls. Mr. Caudill asked about RIFs, pay cuts, etc. Dr. Rackliffe responded these were not necessary under the FY2011 original budget as currently balanced, but budget cuts could change matters.

Dr. Renick reiterated the potential impact of the tuition differential between Georgia State and other institutions such as Georgia Perimeter on the number of transfers. He noted transfers were already down nationally because of the economy.

Prepared by Edgar Torbert
Approved May 19, 2010