FISCAL ADVISORY COMMITTEE TO THE PRESIDENT
Minutes of August 18, 2010


Others Attending: Lauren Adamson, Fenwick Huss, Bill Prigge, Tim Renick, Nan Seamans, Edgar Torbert, Mary Beth Walker

The minutes of June 16, 2010, were approved.

Summer revenues

Dr. Rackliffe reported tuition revenues for Summer Session 2010 exceeded budgeted revenues by $1M for in-state students and $293K for out-of-state students. Dr. Rackliffe noted revenue increases were primarily attributable to meeting the 3% growth target, tuition rate increases, and an increasing percentage of students subject to the tuition plateau of 15 SCHs. He added that prorated mandatory fee revenues for students taking 3 or fewer SCHs were down. He noted overall growth in undergraduate SCHs of 4% and in graduate SCHs of 2% with the growth occurring in Arts & Sciences, Business, Education, and Health & Human Sciences.

Dr. Rackliffe reported on preliminary observations arising from a new report from the Registrar on tuition waivers. He pointed out that graduate assistant waivers rose 6%, but all other waivers fell 13%.

Dr. Rackliffe reminded that the Board of Regents had granted the USG research universities greater flexibility in setting out-of-state tuition rates for FY2012 so long as the new rates did not result in a subsidy for out-of-state students. He stated that development of an out-of-state tuition strategy for Georgia State was an important task for the current year.

Senate Budget Committee

Dr. Willoughby presented a report from the Senate Budget Committee, “Advancing University Budget Process: The Role of the SBC”. She emphasized three points: (1) monthly meetings in order to generate timely feedback to FACP; (2) use of special subcommittees to work on specific issues; and (3) improvements to the SBC web site to provide more information to the campus community.

Dr. Willoughby noted concern among potentially impacted faculty about programs seemingly in jeopardy under the budget reduction plans submitted to the Board of Regents. Dr. Rackliffe assured the programs mentioned were only
some examples of programs with a small number of enrolled students, and not specifically targeted for elimination. He added that the report to the Board of Regents was requested with only two or three days of lead time, not allowing for the depth of analysis and review required for decisions about specific programs. He reminded that program eliminations do not result in substantial immediate savings because of the necessity of addressing tenured faculty and students already in the program pipeline.

Dr. Alberto commented that the 4-6-8% levels now being discussed were at least far lower than the 16-18-20% type levels of the previous year. Dr. Rackliffe added that the lower percentages were also on a lower base budget, so that the actual dollars to be balanced were diminished.

**Voluntary Retirement Plan [Career Transition Plan]**

Dr. Rackliffe reported the voluntary retirement plan proposed as a budget cutting strategy had received attention at the Board of Regents, and had not been dismissed as a possibility. He pointed to Indiana State as an example of an institution that had implemented such a self-funded strategy. Dr. Rackliffe explained the plan called for persons meeting retirement qualifications and eligible for continued health insurance coverage would be offered a half-year salary buyout, with the residual in the salary line available to deans and vice presidents to cover budget reductions that year and the full salary line in subsequent years.

Dr. Kaminshine asked if the half-year salary buyout might be a violation of the state gratuity law. Dr. Rackliffe replied the buyout would be packaged as a payment for release of rights.

Dr. Hudson noted North Carolina institutions offered a three-year phased retirement plan that had been investigated by the Board of Regents in prior years [http://www.northcarolina.edu/aa/faculty/prpff.htm]. Dr. Palm referred to the North Carolina model as a tenure reduction plan with a 20-30% reduction in salary per year until completely retired. Dr. Rackliffe reacted that this kind of option was effectively available now to USG institutions through planned annual FTE reductions. Dr. Palm responded that some “carrot” was needed to lure participants.

Prepared by Edgar Torbert
Approved October 13, 2010