FISCAL ADVISORY COMMITTEE TO THE PRESIDENT
Minutes of February 23, 2011

Members Attending: Paul Alberto, Amber Amari, Hugh Hudson, Susan Kelley, Risa Palm, Jerry Rackliffe, P.C. Tai, Mary Beth Walker (for Steve Kaminshine), Katherine Willoughby

Others Attending: Lauren Adamson, Fenwick Huss, Beth Jones, Randy Kamphaus, Carmen Newman, Bill Prigge, Nan Seamans, Edgar Torbert, Mary Beth Walker

The minutes of November 10, 2010, were approved as distributed.

Dr. Rackliffe reported that the revised out-of-state tuition policy adopted by the Board of Regents April, 2010 did not afford individual institutions as much flexibility as originally perceived. Dr. Rackliffe explained the intent of the Board of Regents was to allow institutions to raise out-of-state tuition by the dollar amount of any increase for in-state students as opposed to applying the same percentage increase to tuition for out-of-state students.

Dr. Rackliffe stated that although the out-of-state tuition rate options were narrower than hoped, Georgia State, Georgia Tech and the University of Georgia would request raising the limit on the number of out-of-state tuition waivers to 4%. Dr. Palm added that the option of partial waivers would also be helpful. Dr. Morris recalled conversations with Vice Chancellor Herbst about the possibility of using out-of-state tuition waivers for recruiting high ability students.

Dr. Rackliffe reported that the 6% budget cut during FY2011 had been dealt with and the cut for the original FY2012 budget was anticipated to be 10%. Dr. Rackliffe stated that enrollment growth had netted $15M in new tuition dollars for FY2011. He added that tuition increases for FY2012 would likely be in the range of 7.5%. Dr. Rackliffe expressed optimism that between enrollment growth and tuition increases that the 2CI initiative, the undergraduate enrollment plan, and the strategic graduate enrollment plan connected to 2CI could be funded as planned for FY2012, with additional funds remaining for other University Strategic Plan-related initiatives. Dr. Rackliffe cautioned that budget modeling beyond FY2012 was difficult because of the unpredictable impacts of the changes in the HOPE scholarship program.

Dr. Hudson asked about a projection of budget variations based on extremes of the impact of the HOPE changes, etc. Dr. Rackliffe estimated the range to be minus-$5M to plus-$8M. Dr. Rackliffe commented that an emerging concern was the impact on student housing. He noted that 4K new beds had been added in the last 5 years, but indicated uncertainty about the impact of HOPE changes would postpone further additions until after Fall 2012.
Dr. Tai asked for an update on the status of formula funding. Dr. Rackliffe gave a brief overview of how the funding formula works. He pointed out that Georgia State generated approximately $22M in new funding formula dollars for the University System for FY2012, but that the legislature would not be allocating those dollars to the University System for FY2012. He noted that in an ordinary year Georgia State would receive approximately 50% of the new dollars it generated. He expressed hope that new funding formula dollars would be allocated to the University System in subsequent years, but Georgia State would not recoup the dollars lost for FY2012. Dr. Rackliffe stated that he was not yet assuming funding formula dollars would materialize in his projections for the future. He added that actualized funding formula dollars would accelerate implementation of the University Strategic Plan.

Dr. Tai suggested consideration of expanded weekend course offerings as a means of promoting enrollment growth. Dr. Rackliffe responded that analysis of the customer base was needed prior to investing in a substantial weekend program. He noted that the expansion of Classroom South would enable delivery of instruction to 2K more students than currently served. Dr. Tai responded that the Classroom South expansion did not help with the shortage of teaching laboratory space. Dr. Alberto observed that expanding weekend use of classrooms and labs would also entail expansion of weekend services such as dining. He suggested a study of weekend operations. Dr. Rackliffe responded that the Classroom Facilities Council could address this issue.

Dr. Walker asked about the status of the proposed career transition program. Dr. Rackliffe replied that the program would be cast as a budget management option for deans and vice presidents. He indicated details would not be immediately available.

Prepared by Edgar Torbert
Approved March 9, 2011