

FISCAL ADVISORY COMMITTEE TO THE PRESIDENT
Minutes of August 29, 2012

Members Attending: Pam Barr, Hugh Hudson, Marcus Kernizan, Risa Palm, Jerry Rackliffe, Don Reitzes, Lesley Reid, P.C. Tai, Jowanna Tillman, Mary Beth Walker, Peggy Wilmoth

Others Attending: J.L. Albert, Paul Alberto, Michael Eriksen, Beth Jones, Steve Kaminshine, William Long, Carmen Newton, Nan Seamans, Tammy Sugarman, Edgar Torbert

The minutes of May 9, 2012, were approved.

Dr. Rackliffe reported on 2012 Summer Semester enrollments and revenues. Enrollments were down in headcounts and credit hours. Changes in Pell Grant regulations were largely responsible for the drop in enrollments. Pell Grants for summer students were generally restricted to new freshmen because of the two semester cap on Pell Grants for each Fall-Spring-Summer year. An increase in the number of new freshmen helped to mitigate the impact. All colleges showed decreases in enrollments except the Institute of Public Health. The financial impact was a shortfall of \$1.7 million in budgeted summer revenues. Projections for future summer revenues will be based on the 2012 Summer Semester actuals.

Dr. Rackliffe reported on FY2013 budget cuts. The projected range of state appropriation cuts is 3% to 5% or \$5.3 million to \$9.3 million for GSU. The Board of Regents has already reduced the GSU state appropriations budget by 3% for FY2013 and will likewise reduce the FY2014 base budget by 3%. GSU will address the FY2013 cuts by a combination of one-time and continuing strategies. Cuts for colleges will be 2.1%, except for College of Arts & Sciences and Byrdine F. Lewis College of Nursing & Health Professions at 1.9%. The differentials in cuts for colleges were based on funding formula dollars generated versus actual budgets.

Dr. Rackliffe reported on preliminary Fall Semester 2012 enrollments. Headcounts were slightly down and credit hours slightly up year to date. Projections showed final headcounts and credit hours will be modestly up, but below budgeted fall figures. Spring Semester 2013 will require aggressive efforts to maximize enrollments and mitigate the revenue shortfalls of the two earlier semesters. An increase in allowable out-of-state tuition waivers from 2% to 4% of FTE count will aid in attracting non-Georgia residents. Georgia Tech and UGA supported GSU in this initiative, which also allows for partial waivers.

Dr. Palm announced that she and Dr. Rackliffe will hold a series of meetings with the deans and their chief administrative officers to review their draft plans for

budget cuts. Dr. Becker will host a town hall meeting in Speakers Auditorium in a few weeks to update the campus community about the budget situation.

Dr. Rackliffe reported on problems discovered with the parking decks purchased in conjunction with the SunTrust office tower. Repairs will take approximately 36 months at an estimated cost of \$3 million. Sections of the decks will not be useable pending the staged repair work. Options for covering the costs include raising parking rates or turning to a private company to fix and manage the decks.

Dr. Reid reported the University Senate Budget Committee will launch joint subcommittees with the University Senate Research Committee to address issues with funding of doctoral programs and the University Senate Faculty Committee to address emerging salary inequities, time in rank issues, salary compression, and blended TRS/ORP retirement plans.

Prepared by Edgar Torbert
Approved October 10, 2012