**Budget Committee of Faculty Senate Meeting**

Brad Yates, Presiding

September 16, 2016

Approved October 26, 2016

Attendance: Liz Baker, Laura Caramanica, O.P. Cooper, Maurice Crossley, Leanne DeFoor, Tom Gainey, Anne Gaquere, Tom Jennings, Shirley Lankford, Kyle Marrero, Meg Pearson, Andrea Stanfield, Jim Sutherland, Brad Yates, and Henry Zot

1. Call to Order 9:03 a.m.
2. April Minutes (tabled)
3. Reviewed FY17 Budget Allocations
	1. President K. Marrero reviewed the FY14-FY17 overview of new positions added in last 4 years (see attached document)
	2. President highlighted budget priorities for FY17 (see attached document)
		1. Some positions were funded due to state mandate
		2. FY17 = 33 FTEs total; $2.5 million recurring
		3. UWG’s enrollment growth resulted in revenue we were able to put toward recurring dollars
			1. In Fall 2015 we enrolled 12,834 students
			2. J. Sutherland noted UWG budgets “known enrollment”
				1. We expected to repeat the same number of students in Fall 2016 (12,834)
				2. And, we budgeted the same amount of dollars recurring for FY17 based on 12,834 students (even though we increased enrollment for Fall 2016)
				3. Additional revenue generated by increased will be reviewed for allocation during the current budget year (FY17)
				4. Approximately $3.2 million of growth money came from base tuition and student fee growth (Fall 2014—12,206 students to Fall 2015—12,834 students)
		4. K. Marrero discussed e-tuition allocation
			1. Noted that UWG earns $6 million from e-tuition
				1. 88% for academics and 12% for administrative support staff
				2. UWG earns approximately $400,000 from a special institution fee (fixed amount-$190 per student per semester), and recent enrollment growth added $200,000 more to the budget from e-tuition
				3. Too, $400,000 was booked from e-Core management revenue
		5. Equity and Merit Investments
			1. In the last three years, approximately $7.3 million was available for merit and equity for faculty and staff ($2.5 from USG and $4.8 million from our growth money)
			2. $3.4 million was allocated to equity and merit recurring for people/positions for FY17
			3. USG allocated UWG 2.29% for merit increases ($1.7 million)
			4. Merit pool allocated was $535,000, but only used $285,141
				1. Leftover dollars were assigned to staff to improve equity adjustment (total $750,000)
				2. It was noted that we can only apply merit to a line that someone is in
			5. Faculty earning Promotion and Tenure either receive a salary increase for positive review or equity increase, whichever is higher
			6. Instructor and Lecturer positions are not as clear in the CUPA data as professor ranks, which are based on comparative CIP codes; thus, an algorithm was created to include equity adjustment for instructors and lecturers
			7. Staff equity allocation was for to get to the entry point of the 19 pay bands (allocated $750K) from the new Sibson study. It will take another $1.75 million to get to the goal
			8. Currently, we are at 87% of the CUPA median, and to get to 100% of CUPA median we need $3.6 million recurring (based on current data)
		6. Forward funding
			1. Used Capital Campaign money and forward funded for Instructors for Newnan because those positions are year to year
			2. Though the positions were intended to increase the seats offered in Newnan, the demand was in Carrollton
				1. Thus, we only ended up with three more sections
				2. The headcount in Newnan went from 720 to 775
4. Discussed the FY18 process (including e-tuition allocation)
	1. Reviewed the USG Operating and Capital Budget Requests submitted to state on Sept. 14, 2016 (first part of budgeting process) (see document)
		1. Issues for legislature is that one check for $2.2 billion is written to USG and legislators have to answer constituents and explain what the BOR money is being used for by the institutions
		2. Control and accountability are the major issues for the legislature, which sometimes perceives the BOR as the 4th branch of government
		3. The legislature wants to be able to maintain greater control over its allocated dollars
		4. $8.4 million is allocated to the USG and about 49% of budget goes to R1 universities (UGA, GA Tech, GA State, and Augusta University)
		5. E&G (Education in General) dollars total $2.1 billion plus tuition revenue
	2. Reviewed the FY18 Budget Development timeline and process (see attached document)
		1. BOR has asked all institutions to identify direct cost savings for students (e.g., reduce course fees, block scheduling, etc.)
		2. UWG does not have to do a 3% reduction exercise due to our growth
		3. BOR directive is that no tuition increase should be requested
		4. UWG will still send a single prioritized list (though we will break it out into categories as we have in the years before)
		5. Budget narrative to the BOR now includes the savings element and in our 45-minute presentation we are to list the top 3-4 needs/challenges (this allows for strategic budgeting, which fits UWG perfectly because that is the language we speak). Our three priority areas will be:
			1. **RPG**
				1. We will request funds to help continue our efforts of accountability
				2. We will highlight faculty needs in both the core and upper-level courses
				3. We will identify the need for advisors to help reach our goal of a 50% 6-year graduation rate and a 25% 4-year graduation rate
			2. **Growth**: Stress, opportunity, challenges
				1. Provide and overview of personnel and space needs (
				2. Graduate needs and workforce alignment;
				3. Region workforce development
				4. Highlight 14% growth in three years as a success, but note that challenges come with such rapid growth (Ask are we growing too fast? Do you want us to cap our enrollment?)
			3. **Safety Compliance, Risk and Assessment (unfunded mandates)**
				1. Compliance, risk, and assessment is where the staff dollars have gone recently
				2. We will note that these mandates are difficult to achieve without financial support and respectfully request assistance
			4. If legislature gives $2.1 billion to BOR, then we have to wait for allocation from BOR in April
		6. e-Tuition: $90 additional per credit hour, which creates $6 million a year
			1. Why it is charged?
				1. It is more expensive to deliver online course because of training and technology required
				2. We have gotten to be very good and successful at online delivery
			2. The cost point of online education was not to match in-state tuition; it was meant to provide education beyond geographic boundaries
				1. Therefore, what is the market cost point?
				2. Argument was that online should not mirror in-state tuition; thus, a $90 per credit hour additional fee to cover cost and align with the market was instituted
			3. $5 million of the $6 million is recurring on people
			4. Legislator’s son had an online course at GA State with $140 extra per credit hour; he was wondering why it was being charged
				1. Now legislature is focusing on this extra fee
				2. Possible outcomes: No more e-tuition (Armageddon), which means we would lose $6 million recurring from our budget
				3. We suspect there will be a range/limitation for cap of cost based on course
				4. Fortunately, we track every dollar of e-tuition and can show it
				5. Argument from legislative point of view is cost
				6. Argument from us is that we offer options for taking courses (choose online or face-to-face)
			5. Online is growing and students are choosing online courses
			6. Online is not competition to face-to-face, and UWG online courses are the choice we want them to make over other USG schools or other institutions
			7. Online is to transcend borders and price point we offer is much lower than competition (but most of our students are GA residents)
			8. No fees in fully online program unless they live on campus
5. Discussed implications of R3 ranking on budget and equity adjustments
	1. UWG only can be compared to doctoral institutions in the CUPA data set
	2. $600 million of sponsored research at GA Tech vs. $2 million at UWG
	3. No R3 category for CUPA median
	4. K. Marrero is the only USG President going for 100% of CUPA median; most other presidents are asking for 88% - 90%
	5. 100% is not achievable if we compare ourselves to 327 doctoral institutions
	6. Many argue for their own sampling from their accrediting agency for each program
	7. Should we go with the 327? If we do, we can only commit to 90% of the CUPA median
	8. Could we pull only R3 institutions for comparison?
	9. From a Carnegie stand point, to be designated R3 is to recognized for a level of scholarship and sponsored research, but when compared to other R3 we have fewer sponsored research dollars
	10. A question from A. Stanfield: what does R3 mean for scholarship expectations?
		1. Goal for sponsored research is $10 million in 2020, and we need to say and strive for this publicly
		2. Our output now is more equivalent to a master’s degree institution – the new goal is more aligned with R3s
	11. Committee suggestion is to get numbers that are more consistent with comparators
6. Confirm we will continue on two-year CUPA data rotation (i.e., no new data collected this year)
	1. In Spring 2018 we could run a new sample
	2. If we have changes, then we could institute then
7. Discuss incentives for successful post-tenure review after achieving full professor in terms of merit
	1. Should there be a dollar amount incentive
	2. Multiple years-have an increase after successful review
	3. Corridors for full professors
	4. Post tenure review needs to have some meat
	5. With monetary award there needs to be a standardized process
8. New Business
	1. We will schedule a future meeting to discuss post-tenure review corridors for full professors (targeting mid to late October)
	2. We will schedule another future meeting to discuss FY18 budget requests after October 18th
9. Adjournment 11:03 a.m.