

October 23, 2009

Attendees: Co-Chair David Curtis, Co-Chair Gebe Ejigu, Kevin Barto, Deborah Bordelon, Larry Cross, David Diers, Rupert Evans, Judy Ferneau, Pam Guimond, Rosemary Hulett, Joan Johns Maloney, Karen Kissel, Charles Nolley, and Jeff Slovak

Absent: Paul Blobaum, Shannon Dermer, Ellen Foster Curtis, Carmin Garnica, Shelly Kumar, Joe Matula, Kathy Miller, Beth Parin, Bill Yacullo, and Jun Zhao

Documents:

1. Agenda
2. FY10 Operating Budget and Available Balance Report (Attachment I)
3. FY2010 Total Operating Budget (Attachment II)
4. Undergraduate Tuition Rates for Indiana Residents (Attachment III)
5. Approval of Tuition Rates for Non-Resident Undergraduate Students (Attachment IV)
6. Policy on Tuition Rates for Dually-Admitted Community College Students (Attachment V)
7. Policy to Offer Debt Free Undergraduate Education for Up to Fifty Dually-Admitted Students (Attachment VI)
8. Initiative to Revamp GSU Administrative Software System (ERP) (Attachment VII)
9. PBAC Announcement Membership Letter (Attachment VIII)
10. Tuition Revenue Sharing Plan (Attachment IX)

1. Welcoming Remarks

Being this was the first meeting of the school year, introductions were made. Dr. Curtis began with opening remarks about the importance of this group in the university. This group has key roles in planning and budgeting for the entire university. The actions that are taken here affect the entire university community.

2. Clarifications Of Charge And Expectations

President Maimon thanked the members for accepting the responsibility of serving on PBAC. She told the members of the Council that we are creating a model in higher education. Shared governance depends on the linkages constructed throughout the university. President Maimon added, "These are challenging times. We are not being reactive to the treacherous waves. We are being deliberate, and planning strategically. Another commitment of this group is transparency and accountability to the university community. The budget is public, open to all questions and to thorough discussion." PBAC will deliberate together to provide recommendations to the president on all major issues. President Maimon has only declined one PBAC recommendation since its inception, which was about mandatory student fees.

Dr. Ejigu talked about the information items on the agenda. Some PBAC members may be aware of these items. These actions have been discussed by the GSU Board of Trustees.

3. Update on FY09-10 Budget

The FY10 Operating Budget handout (Attachment I) is an updated document provided so as to show PBAC where GSU and its units stand with regard to budget and spending matters for all major budget units. Actual expenditures as of September 30 were displayed in the handout. Dr. Ejigu explained that “encumbrances” are expenditures that have been committed through June 30, 2010. He continued to explain each column heading in the handout. “Available balances” show how much free money is available to the unit as of 9/30/09. “Fund 21-xxxx” is the amount of money that was carried forward from last fiscal year. By carrying the money over into the new fiscal year, unit heads are enabled to become better fiscal managers. This practice also eliminates furious spending in the months of May and June. Academic units carried forward \$2.4 million from last fiscal year. Dr. Slovak assured the group that the budget office will not cut back the original budget for a unit if that unit carried money over from the last fiscal year. Dr. Ejigu added that this is good and common practice at American colleges and universities.

4. Updates on Recent Board of Trustee Actions

a. *FY2010 Total Operating Budget (Attachment II)*

The GSU Board of Trustees approved the FY2010 budget. This document was presented so that PBAC could see the final result of its recommendations.

Various policy initiatives were discussed with the Board (Attachments III- VI). These strategies are designed to reach the aggressive enrollment goal of an increase of 7.5% annually from now to 2014, as detailed in **Strategy 2015**. We want to make sure we create the policies and practices conducive to that level of enrollment growth.

b. *Undergraduate Tuition Rates for Indiana Residents (Attachment III)*

Students who are Indiana residents currently pay \$3 to every \$1 in tuition paid by an Illinois resident. The Board of Trustees decided that all Indiana residents who are undergraduates will be considered Illinois residents with regard to the tuition rates they will be charged. This policy takes effect in the fall term of 2010. Exceptions will be made on a case-by-case basis as early this winter. This policy does not apply to students in graduate programs.

c. *Approval of Tuition Rates for Non-Resident Undergraduate Students (Attachment IV)*

The tuition multiplier for non-resident tuition rates was 3; by virtue of this action, it is now reduced to 2. This action will affect graduate and undergraduate students alike (except for those covered in 4.b).

d. *Policy on Tuition Rates for Dually-Admitted Community College Students (Attachment V)*

The enrollment goals included in **Strategy 2015** speak primarily to undergraduate students, by seeking to change the mix of students to 60% undergraduate and 40% graduate. Under this initiative, community college students who transfer to GSU within two years of admission to their community colleges will be guaranteed the tuition rate in place at GSU when the students were originally admitted into their community colleges. We will make exceptions to the two-year criterion for sickness or other major emergencies. Community college advisors will know of the availability of this option for

their students. Staff members in our Enrollment Services Office have worked with counterpart programs and offices at the community colleges. The current distribution of students at GSU is approximately 50% undergraduate and 50 % graduate. This year's enrollment was up by 12% at the undergraduate level, while graduate program enrollments were down approximately 2%. On average, Illinois community colleges are experiencing lower levels of undergraduate enrollment growth than GSU has seen this year.

e. Policy to Offer Debt Free Undergraduate Education for Up to Fifty Dually-Admitted Students (Attachment VI)

This is an effort to jump start the GSU Promise prior to the development of an endowment sufficiently large to carry the full costs, and simultaneously an attempt to capitalize on a marketing opportunity. The initiative basically calls for the granting of a debt-free GSU undergraduate education to up to fifty economically-challenged and academically-talented community college students. A minimum GPA will be required for eligibility for this program. Tuition, fees, books, and transportation will be included among the costs to be covered for those who are awarded these grants. Those students receiving these awards will probably have sufficient resources available to them from MAP Grants and Pell Grants so as to reduce the actual costs borne by the university. Because we will probably receive significantly more than 50 applicants per year for the available awards, this program should also raise the caliber of the entering undergraduate student body. The structure of the program is both need-based and merit-based.

f. Initiative to Revamp GSU Administrative Software System (ERP) (Attachment VII)

In the spring of 2009, the PBAC IT committee recommended significantly upgrading the ERP system. This would affect online applications, admissions, and almost every other process at the university. Last February, the Board of Trustees approved a \$7 increase to the mandatory Student Technology Fee to provide the necessary financial support for this project. The ERP upgrading process has begun, and an ERP project manager will be recruited and hired. It is still not confirmed whether GSU will be reinstalling its current ERP with a new version from the same vendor or replacing the current system with a new one from a different vendor.

5. 2009-10 Membership Roster for PBAC and its Committees – Attachment VIII

Dr. Curtis told the group that he met with the PBAC committee chairs and asked them if any members of their committees from 2008-09 should be added to or deleted from their committee rosters. He also explained the basic composition of the committees. If any information is not accurate like a title change, members are asked to inform the PBAC Co-Chairs.

6. Action Items

- a. 2009-10 Institutional Enrollment Growth Target

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Last spring, PBAC recommended the establishment of a tuition revenue-sharing program, based on colleges' exceeding pre-set enrollment growth targets as established by PBAC. This initiative is part of our strategy for increasing enrollment. Dr. Ejigu provided three different enrollment growth targets (3%, 5%, and 7.5% over the average of the prior three years), and scenarios for potential shared revenues under each. He reminded PBAC members that under this initiative there will be no negative impact on the colleges that do not meet the pre-set target; they simply will not receive additional revenues under this initiative. He further reminded members that revenues shared under this program will come to a unit above and beyond their regular budgets.

Every year at its first meeting in October, PBAC will need to set the benchmark enrollment growth for this program, as well as the proportional distribution of shared revenues to the colleges, the non-academic units, and the central university reserve. Every year at that same meeting, PBAC will receive final calculations for the revenues to be shared from the prior year's actual enrollment results. The proposal Dr. Ejigu offered for the consideration of the group was that (a) the enrollment growth benchmark rate be set initially at 5% and (b) that revenues be shared on a 40%-20%-40% basis across the colleges, the non-academic units, and the central reserve, respectively. Under the 5% target rate, three colleges are projected to receive additional revenues under the initiative during FY11 (its first proposed year of actual distribution of funds), while the 40-20-40 distribution will provide revenue boosts to all of the units which contribute to enrollment growth beyond the degree-granting colleges.

Some discussion occurred regarding whether enrollment growth benchmarks should differ for different colleges, based on their recent histories of actual enrollment growth and/or the potential market for their programs. Dr. Curtis spoke against these proposals, noting that both will vary naturally over time for the different colleges. In recent years, CHHS has been "at the right place and right time" for enrollment growth, and has taken full advantage of its opportunities by proposing new degree programs and obtaining new grants. There is similar albeit generally untapped potential for other colleges to follow in that path. Curtis argued in favor of the distribution ratio of 40%/20%/40%, and further suggested that the 5% enrollment growth target seemed a reasonable place at which to start this initiative.

Dr. Ejigu reminded those present that (1) every college will receive its operating budget as a result of the regular PBAC budgeting process, and without regard for amount it does or does not receive under the revenue-sharing initiative, and that (2) PBAC will be able to make annual adjustments to both the enrollment growth target and the revenue distribution formula in the light of actual experience.

Motion to accept the 2009-10 Institutional Enrollment Growth Target (IEGT) for the PBAC-Approved Tuition Revenue Sharing (TRS) Plan:

- Dr. Ejigu requested a motion to accept the "2009-10 Institutional Enrollment Growth Target". After some discussion of the adequacy of different target rates, Dr. Evans moved that 6% be set as a first-year target. Dr. Diers seconded. Ms. Kissel suggested that the 6% target, even though insufficient to meet the enrollment goals of Strategy 2015 if sustained over time, was superior to the 5% rate in offering an

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incentive for exemplary performance. Others disagreed, suggesting that growth targets could be altered for subsequent years in light of experience. The motion was defeated by a vote of 3 in favor and 6 opposed.

- Dean Bordelon moved to adopt the 5% benchmark growth target, and Ms. Hulett seconded the motion. The motion carried by a vote of 5 in favor and 4 opposed.

Motion to accept the 40%-20%-40% distribution

- Dr. Evans moved to adopt the 40/20/40 distribution formula as originally suggested by Dr. Ejigu. Dr. Guimond seconded. The motion was approved unanimously.

b. PBAC Schedule of Meetings

Meetings of the PBAC Council of Chairs will be scheduled for the same week as the regular PBAC meetings, probably on Tuesdays or Wednesdays while Fridays will serve as regular meeting days for PBAC. For the 2009-10 year,

- PBAC will meet on February 19, 2010 to discuss the budgeting process for the FY11 budget, as well as to hear recommendations on tuition and mandatory fee rates.
- PBAC will meet on March 12, 2010 to discuss details of the budget development process, set actual guidelines for budget proposals, and approve documents for those proposals. Units will have 45 days to develop their FY11 budget requests.
- PBAC will meet on May 14, 2010 for a preliminary discussion of the budget requests made by the different budget units.
- During late May or early June, two budget hearings will be scheduled for formal submission of FY11 budget requests to PBAC.
- PBAC will meet on June 25, 2010 to develop its final budget recommendations for President Maimon.

Motion to accept the 2009-2010 PBAC Meeting Schedule:

- Chair Ejigu entertain a motion to accept the tentative "2009-2010 PBAC Meeting Schedule." The motion was approved unanimously.

The meeting was adjourned. The next meeting is tentatively scheduled for February 19, 2010.