Date: April 11, 2016

Location: Science Center Conference Room 2603

Members Present: Cathy MacGowan, Debra Hagerty, Wendy Wolfe, Maliece Whatley, Chris Corrigan (ex-officio), Robert Smith (ex-officio), Yassaman Saadatmand (ex-0fficio), Greg Wimer, and Judith Garrison

Members Absent: Georji Lewis (ex-officio), Bill Kelso (ex-officio), Patricia Holt

The meeting opened up at 3:05 by Cathy MacGowan.

Old Business

Faculty Salary Update

- Dr. Wendy Wolfe discussed the meeting that took place on 4/11/16 in the AM. Dr. Mike Toma almost done with data analysis. Delay in Mike getting the pieces to complete. New pieces for part-time faculty. Next goal was July 1, 2016 97% CUPA and then 100% of the following year. Wendy discussed bigger picture: 1. Where is the money coming from and how much? If we cannot meet the goal what do we do.
- Mr. Chris Corrigan discussed the possibility of a budget line item. Market moving. The 3% that the State allows is going to help. Chris commended Mike Toma on the quality of the work, by individual position. Institution should use. Good comparative data now. Last time the CIP codes were not there. Distribution curve over the last years. Higher and lower are usually squeezed and get salary compression. We had the opposite happen. We hired assistant professors below the minimum. Biggest gap is at the Assistant Professor with a large cohort, 80-100 below 90%. Merit money will not fix if they are that much below the range.
- Mr. Chris Corrigan talked about the Staff side also having lower paid people in some cases very low. Approximately 30% are below the minimum. One of the recommendations of the PBF committee should be that we allocate in a systematic way to bring the worst into the range. Budget is due soon. The state has given money for a 3% merit based salary increase yet the state will not allow we increase tuition.
- Only projecting a ½% increase in head count which puts us almost even with this year. There is not a lot of money generated for increases. The additional funds needed will have to come from somewhere. Talk about how merit will help in one way and in another it is not helpful. Mr. Chris Corrigan encouraged goals. Dr. Wendy Wolfe discussed committee work describing that if-then recommendations. Chris stated that staff are not hired below the minimum. Faculty are hired below the minimum. Dr. Mike Toma has secured real data, so recommendations should include not hiring below minimum. Wendy stated The President’s goal may need revision. Chris stated other institutions in Georgia are not doing what Armstrong is doing. Chris said the curve is going away from where we are. Several millions of dollars are needed to meet the goals and it not a static market. It does get more expensive to get from the 93-97% and on up to the 100 %. Chris talked about there has been 1.2 million put toward market or merits since 2011. We have met that commitment so far. Chris says a market study is being done every other year and use the

salary study to be guiding principles. Dr. Bob Smith discussed no tuition hike and no increased enrollment so money is tight.

- Wendy discussed forum as a good idea and now a loggerhead. The next adjustment may not happen and discuss Plan B. Line item, some commitment to continue. Mr. Chris Corrigan added need priorities and guiding principles.
- Dr. Bob Smith discussed we need new money or somewhere to get money from Mr. Chris Corrigan and Bob are hosting a forum for faculty and staff on salaries on April 22, 2016. We need to find new money or new places to bring money into salaries. Long-term recommendations should come from the PBF committee. Summer provides one opportunity to grow revenue. If we are able to grow enrollments and are granted tuition increases, we could potentially sequester some of that money for salary increases.
- Dr. Wendy Wolfe discussed need to re-group on the original goal Mr. Chris Corrigan added that STATE comparisons are similar it is when we go regional that difference are evident. Dr. Cathy MacGowan added historical raises from governor were helpful.
- Transparency is expected.

Summer Revenue Sharing

- Dr. Bob Smith and Mr. Chris Corrigan discussion. The proposed class size minimum for summer is 8 for undergraduate courses and 6 for graduate. Discussion of previous method of calculating. This is much simpler. Deans brought to Bob questions and some change may occur. Turn the profit, and meet the needs of the students. Yassaman discuss previous formula.
- Dr. Catherine Gilbert ask why the inequity, a group of 30 students might be split into 3 groups of 10 students. Revenue sharing is the issue. The Dean is responsible to catch those attempts to “game the system” Dr. Cathy MacGowan said this is good for upper division classes which often have lower enrollment numbers. Dr. David Wheeler added the Revenue Sharing Plan would give money back to department as an incentive
- Dr. Catherine Gilbert reiterated that inequity is having her faculty teach 90 students and another faculty teaching for the same salary 10 students.
- Ms. Maliece Whatley asked if this will get us the summer profit. Dr. Chris Corrigan discussed the elimination of small enrollment courses will help. There were more than 105 courses that had very low enrollment 2-3. Although there are cases where this is needed ((for specialized courses usually required for graduation) the faculty will understand that they will be teaching at a reduced rate for these low enrollment courses. The maximum for summer pay is 33 1/3 of annual salary.

Campus Master Plan

- Dr. Cathy MacGowan discussed the comments. Last year PBF survey revealed: 1. Faculty did not have a place to get together and that came out again. 2. The lighting situation 3. The Galley where you can't eat $8 worth. 4. Parking spaces, some at University Hall vacant.
- Dr. Chris Corrigan responded to the response rate. Dr. Bob Smith said 10% is not generally a good response. However, since this not a controversial issue, the response rate is not unusual. Not user friendly in some cases and question not all relevant for all participants.
- The discussion regarding Master Plan will be on campus in 2 weeks. Some difficulty navigating this survey. Meeting with PC and will be on Campus 4/26-27. Will synthesize report in Jan. Wendy mentioned the ride share data about faculty was off because 86% do not ride share.

New Business

Student Fees Committee

Dr. Cathy MacGowan is Faculty Representative for Student Fee Committee. Met last week.

- $363,000 budget. Part of the budget, $30,000 taken away for a new staff person to help Yvette Upton. This has been approved by the students.
- Need a position to help due to the Greeks increasing and regulate behavior. Students were fine with this. People wanting money, gospel choir, SGA, Campus Union, Band, are examples.
- Students wanted all organizations to be budget conscious especially the Campus Union Board. Hard for band as the instruments are old, the playwright fees are high. The students are interested in going to the BOR for a $16 increase and they were informed that they should get more than 200 students to vote. The board had not yet disapproved this fee increase but it was expected to come this week.
- They want Campus entertainment and the cost is extremely high.

Minors on Campus Policy

- Dr. Cathy MacGowan asked if it could be condensed so one page could be looked at, ease of administration for faculty and staff. Mr. Chris Corrigan discussed page 9 is an attempt to do this. Many programs are covered, it is 9 pages long. We are looking for a good faith effort to comply. Many other institutions were examined in an effort to come to this policy. There are no institutions that cover matriculated students. Dr. Catherine Gilbert asked if this would be an effort for Sodexo to start charging fees for these events. We have a robust fee process for the use of our buildings and Chris said storing of the documents will be by Sodexo (record keeper) to centralize this.

Health Sciences Building

- Governor did not fund in the budget. Governor did not fund any new construction planning for 2016-2017. The Governor generally does not give design funds unless he plans to provide if they are not going to receive construction funds in a subsequent budget. The previous buildings that had design funds appropriated were funded for construction approximately a year later making it hopeful for FY 2018. Full court press next year.

Post Tenure Salary Raises Budget

- Dr. Bob Smith describes. Typical year and it varies, 6 faculty at full rank who do satisfactory, and that would be $6000. Next year is more and this would compound (another 6 and raises in a five year cycle). Do we need a line item for this? Bob asked, when they were discussing, was the calculation done? This is not an inconsequential amount.
- Dr. Wendy Wolfe added that this came from Faculty Welfare and this is something that other schools do. Satisfactory could get $1000, and highly satisfactory would get $1500. Mr. David Wheeler previously has recommended a category superior and outstanding raise/bonus above satisfactory category. A bonus would not compound. Resolution was passed so increase would be either 1000 increase for satisfactory and highly satisfactory with an increase of 1500. This is for fully promoted. The Bill is now at Bob's office to be considered by the President. It could be charged again for next year.

Auxiliary Athletic Funds BOR

- Dr. Greg Wilmer asked this be discussed. Members of BOR recommended Audit on Athletic programs in 2014. Student activities, including athletics, are supposed to be funded with student fees. However, the audit (by BOR staff) found that state funds were used to pay coaches salaries. Athletic Director could have administrative duties and that portion could be paid out of State funds. The portion of a Coach's salary that is related to teaching could be paid with state funds. Some universities pay coaches with auxiliary funds. The Athletic departments should run on their own fees, but some cannot because of shortfalls. The Board (BOR) frowned on increasing fees and does not allow athletic departments to run deficits in the future. The BOR is voting on a policy in May that includes a complicated formula and is set up in a way that compliances for any university will be difficult. We can't comply because the formula would require that we (as a Division 2 university) generate 20% of our income from non-state or fee generated sources such as sponsorship fees, TV, philanthropic donations, etc. We currently generate 10% form sponsorship fees.
- Armstrong is at the bottom of all for use of State funds. We have very large auxiliary reserves.. Holding the line on the expenses is critical. Answer to any new funding is, No. So we must live within our means. The BOR is considering a complex policy and universities are unsure at this point how to comply. Demands revenue increase not cutting fees. A letter will be drafted for President Bleicken to go to the Chancellor indicating our concerns. We hope they will fix it. Cannot fund the program on the backs of student's fees.

- Dr. Chris Corrigan stated it is bizarre in that one way to comply would be to prevent out of state students from the programs because they subtract out of state tuition waivers. If we got rid of this program, 160 students would be gone and 1.6 million dollars with it.

Tennis Courts Update

- Tennis courts on schedule and budget. No contingency items hit yet. Asphalt had to cure and now applying multiple layers of synthetic surface. Expected completion the 2nd week of May.

Additional Discussion

- Dr. Cathy MacGowan brought up communication problems from financial aid emails sent to students. Student attempt to deal with the email and are told it would be handled and then another email comes. Students then disregard further emails.

- Dr. Yassaman Saadatmand asked whether text messages are being sent for Dr. Wendy Wolfe suggested the advisors send out the individual email to engage the student. Dr. Bob Smith reported 1,900 freshman and sophomores have been advised and 64% of students had advisement holds lifted. Advising is ahead of last year. RAs in housing are also reminding students regarding advising. Continued reminders to students should be sent out by faculty advisors and administration as this concerted effort is successful.

- Goals/Topics to be sent to Cathy MacGowan for next year.

Respectfully submitted,

Debra Hagerty

4/23/16

Faculty & Staff Salary Adjustments

Armstrong State University

22 April 2016

Christopher Corrigan

Vice President, Business & Finance

Dr. Robert Smith

Provost and Vice President, Academic Affairs

Recommendation of the Salary Adjustment Committee December 2014

- Achieve 100% of CUPA average salaries by 1 July 2017
  - 1 July 2014 – 90% (complete)
  - 1 July 2015 – 93% (complete)
  - 1 July 2016 – 97%
  - 1 July 2017 – 100%

- Triggers for discussing possible changes in the schedule of adjustments:
  - State Budget Reduction
  - Enrollment Decline
  - Unanticipated One-time Budget/Financial Obligations

Salary Increase History

FY 2012

- Market Adjustments – $454K
- Merit Adjustments - $0

FY 2014

- Market Adjustments – $140K
- Merit Adjustments - $0

FY 2015

- Market Adjustments – $685K
- Merit Adjustments - $337K

FY 2016

- Market Adjustments – $316K
- Merit Adjustments - $216K

Note: Since 2012, $2.1M applied to market and merit adjustments

FY17 State Funded Salary Increase

- State appropriated funds were provided for approx. 2.56% increase ($934K)
- University funds are required to complete a 3% increase ($158K)
- Increases must be distributed on a merit basis – 0% to 5%
- Across the board increases are not permitted

FY17 State Funded Salary Increase (cont)

- Eligibility for merit increase:
  - Hired before 1 Jan 2016
  - No other salary increase since 1 Jan 2016
  - For staff – not rated “unsatisfactory” on last performance eval
  - Faculty or Staff – no performance related issues as determined by Dean or Department head

Merit Salary Increase Process & Tentative Dates

- Distribute adjustment sheets and instructions to VP’s
  - May 6, 2016
- Department Heads provide proposed increases to VP
  - May 13, 2016
- VP’s submit increases to HR
  - May 20, 2016
- Salary Letters distributed to employees
  - Not later than June 10th, 2016
- New salaries effective – 1 July 2016

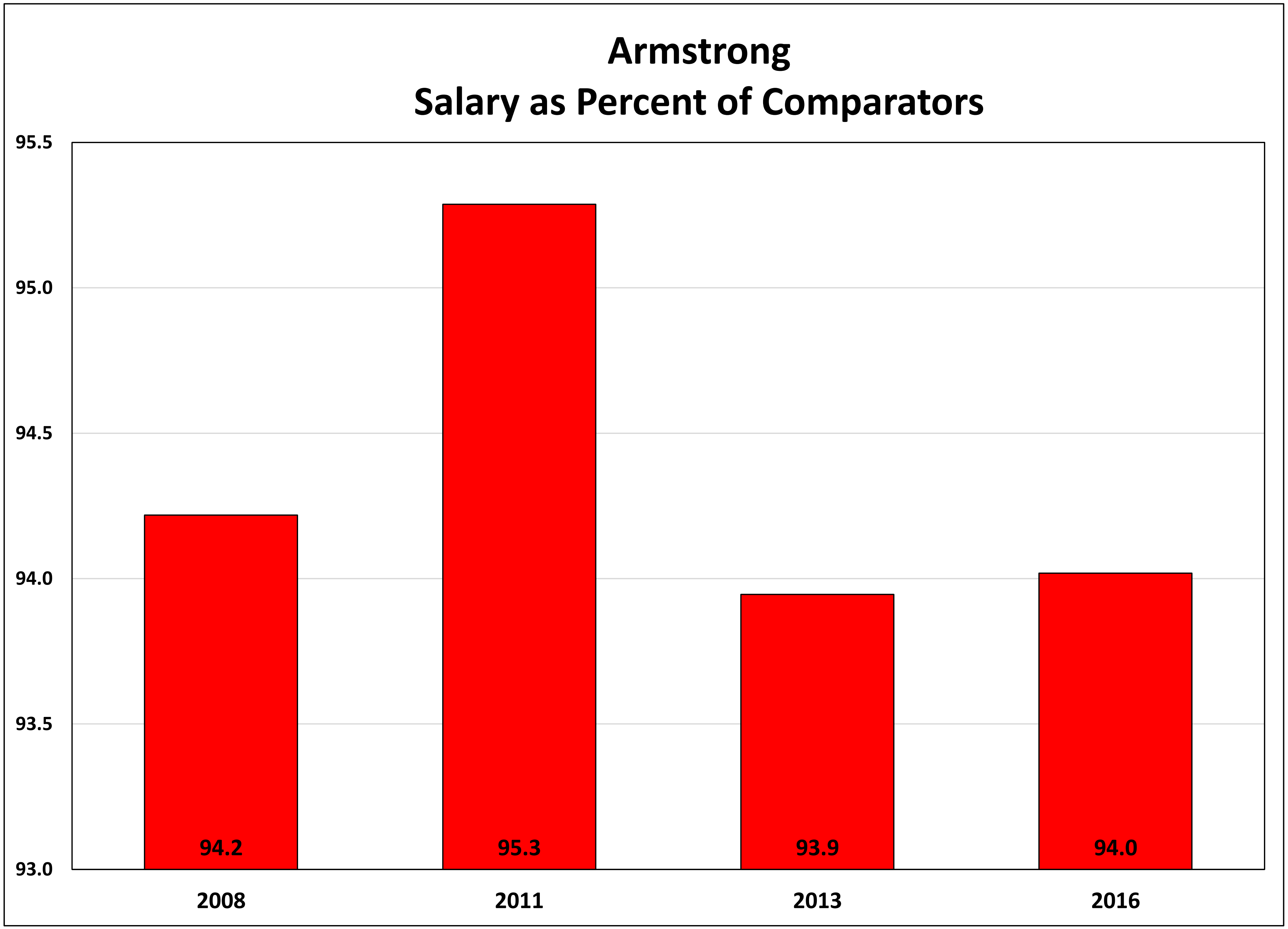
2016 Staff Salary Study

- Based on current market data
- Overall, the market salary comparables increased by about 5% since 2013 when the last study was completed
- CUPA averages varied by pay band
- The average staff salary is currently 91.1% of CUPA average
- 157 individuals are below 90% of the CUPA average based on this study
  - it would cost $586K to move them to 90% of the average.

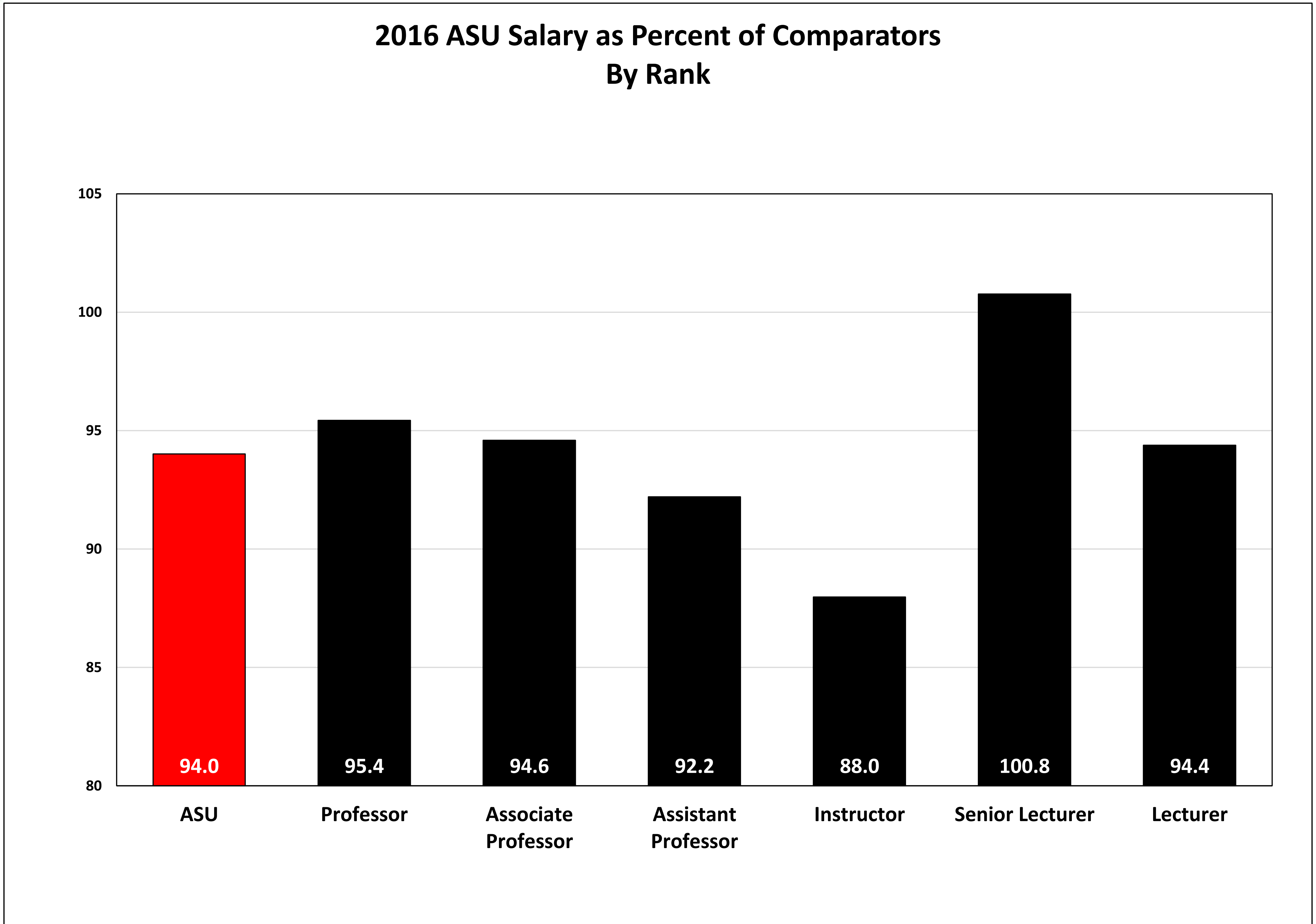
2016 Faculty Salary Study

- Based on CUPA data as of 31 December 2015
- CUPA averages varied by CIP code
- The average faculty salary is currently 94.0% of CUPA mean compared with 93.9% in the 2013 study
- 78 individuals are below 90% of the CUPA midpoint based on this study and it would cost $251K to move them to 90% of the CUPA mean

2016 Faculty Salary Study



2016 Faculty Salary Study



Costs for adjustments to 97% and 100% of CUPA averages

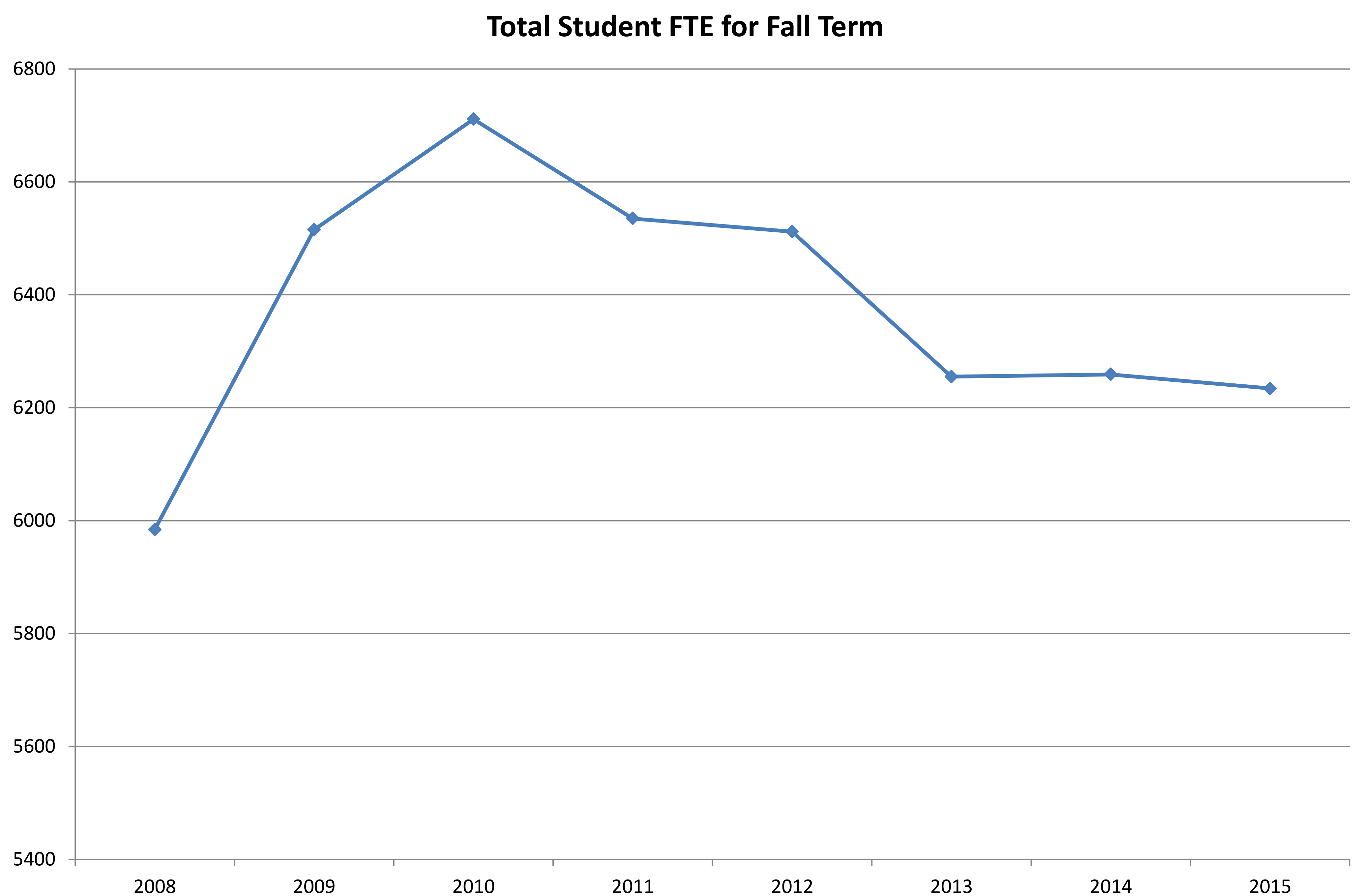
- Staff Salaries (from 2016 Salary Study)
  - 97% of CUPA average $1.44M
  - 100% of CUPA average $1.92M

- Faculty Salaries (from 2016 Salary Study)
  - 95%* of CUPA average $755,000
  - 100% of CUPA average $1.45M

*97% data not available

Armstrong

Student FTE Trends



Fall Enrollment

Armstrong

2017 Fiscal Environment

- Small Enrollment increase projected for FY17 (0.5%)
- Zero percent tuition and fee increase
- Increased general operating funds from State Appropriation – 0.5%
  - Overall, undesignated E&G revenue is up 0.7%
- Some cost increases: Health plan premiums, Liberty Center Facilities costs, University portion of merit increase

Any market based salary adjustments must come from cuts in other parts of the budget.

FY2017 Salary Adjustment Plans

- Merit increases averaging 3% will help overall, but will not address all of those whose salaries are below the 90% of CUPA averages.
- $200,000 allocated in the FY17 budget to adjust those faculty and staff the furthest from the minimums (90% of average)
  - We intend to apply the limited market adjustment funds in a way that prioritizes both the lowest paid and those farthest away from the minimum.

Next Steps for Market Salary Adjustments

- Recommend establishing "guiding principles" for reviewing and adjusting market based salaries
- Firm goals must be weighed against the potential costs (which will likely continue to increase)
- Some potential principles:
  - Perform market salary studies every two years and publish and discuss results
  - Prioritized funding to move those below 90% of CUPA average to at least the minimum
  - As new revenue becomes available, budget funds so that all new hires are hired at the minimum (90%) salary