

Date: January 11, 2016

Location Science Center Conference Room 2603

Members Present: Cathy MacGowan, Debra Hagerty, Wendy Wolfe, Maliece Whatley, Chris Corrigan (ex-officio), Yassaman Saadatmand (ex-officio), Robert Smith (ex-officio), Greg Wimer, David Wheeler (ex-officio)

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

The meeting was opened at 3:05 PM by Catherine MacGowan.

Old Business:

- PBF committee minutes for 11/9/15 were approval by email. All PBF minutes will be approved by email so that they can be posted to Senate website in a timely manner.

- *Update from Dr. Smith on CUPA spreadsheet errors related to that impact faculty who received promotions and may not have received the increase to 93% CUPA.*
 - Dr. Smith looked at those faculty members who did get adjustment 93% first or promoted first.
 - All faculty were advantaged by the way it was calculated.
 - Dr. Smith has made the calculations available for review

- *Faculty salary committee Update:*
 - Salary committee has not met since the faculty forum. CIP code discussion did take place. Once CIP code confirmed, Drs. Cliff Padgett and Wendy Wolfe will work on recommendations in terms of the implementation recommendations.
 - Faculty Salary Committee will decide how the CUPA data will be used to evaluate the faculty salary. Specific question regarding what CUPA data, 2014 or 2015, is being used to analyze the current faculty salaries. No one knew except perhaps Dr. Mike Toma. Dr. Wolfe will check with Dr. Toma
 - Dr. Chris Corrigan noted that 2015 CUPA data will be available within the next couple of weeks (dates: around 1/16 or early 2/16). Administration will be looking at pay bands as a reference point for salary adjustments.
 - CUPA data has to be purchased by colleges. Cost \$1400.00
 - Dr. Corrigan emailed Dr. Mike Toma to ask if he & the salary committee would like to use the Consultant group (Phillip Blount & Associates) that Staff is using to aid them in their review of Staff salaries for help with faculty salaries.
 - It was noted that this consultant group is not expensive and they have the tools and expertise in this area that we do not have in this field.
 - Although committee may have started, the consultant can be used to look at the 2015 data and evaluate.
 - Dr. Corrigan reassured the committee that the consultant could look at Pay bands, midpoints and Quartiles and perform an analysis.
 - Typically this task is done every other year.
 - Goal for completion of report by the Faculty Salary Committee: April 2016.

New Business:

- Summer Fringe Benefits. What is the rate (%)?
 - Salary earned during Summer semester does not have Health, HSA or disability taken out. Taxes (federal, state), retirement, Medicare and Social Security are taken out.
 - When writing grants that have a Summer salary component an 18% fringe benefits is assigned. PB&F questioned what this 18% value represented.
 - Dr. Chris did not know and could not find out by meeting time. He will get the answer the answer for the committee by the next meeting. His guess is that it is a combination of Social Security, Medicare, and Retirement etc.
- Deductions and Fringe Benefits (Academic year)
 - **K12-University: Part-time Faculty**
 - Only withholding is pay Medicare 1.45%. No Social Security withheld.
 - Part-time faculty: Statutory requirement, agreement with State Georgia and Federal government.
 - **9/10 Month Faculty**
 - Health care costs (Health plan, HSA, disability etc.) These costs are withheld from faculty pay over 10 months using the following formula: 7/12 of the annual cost is withheld during the period January – May; 5/12 of the annual cost is withheld during the period August through December.
 - Summer pay have the following deductions:
 - Medicare 1.45% of salary. Medicare deduction is salary independent (i.e. doesn't matter how much the salary, the deduction will be a 1.45% rate);
 - Social Security - no limit on until the maximum of \$110,000 is reached, then Social Security is not taken out;
 - Retirement - taken as a percent of your salary. That doesn't happen 100% of time. Examples, teaching and research are jobs that retirement should be taken out. Most grants do pay and include the retirement.
 - There are 100 different types of pay codes so non-regular pay, i.e., working in a summer camp may not get withholding.
- **Laboratory Instructional Pay**
 - Issue:
 - Summer salary for faculty teaching a science laboratory class is 3% (class meets 3 to 4 hours per session) lecture class is 9%.
 - Credit hours do not equal the contact hours.
 - Salary earned for teaching a laboratory class is less, yet time spent in session is the same as lecture with the added responsibility of laboratory safety. Contact hours are not being considered.
 - Lecture and Lab summer pay is 12% not 18% if taught two lecture sections.
 - Discussion noted that part-time faculty get ¼ of their pay for teaching laboratory class during the academic year.
 - Laboratory class pay for regular full-time faculty in the summer months is less than a part-time faculty rate of pay.
 - Questions: Why is this? Is this unique to Armstrong? Can this be rectified?
 - According to Dr. Bob Smith at other universities. (Meaning, it is done at other universities, according to Dr. Smith)
 - Discussion to be continued.

- **Update on Liberty Center**

- Liberty Center Project is 99% complete. Original budget \$5 million (~~set by BOR~~ approved by The Legislature). Actual cost closer to \$6.2 million.
 - When project sent out for bids – all were over \$5 million, closes \$700,000.
 - NOTE:
 - Bidding out occurs after the budget is finalized. Savannah has a great deal of construction at this time.
 - Discussion of how we did not know that a gas station was present on that land previously as the Hinesville community knew.
 - Land for Liberty Center was free, but the underground storage tanks were found. This required fabric protection to be placed preventing petroleum leakage and was costly.
 - Approval from governor's office is required to increase set budget.
 - Year-end money from Armstrong Funds were used to make up difference.
 - Project has spent \$1.16 million of the \$1.2 million (i.e. 5-10% of contingency funds in budget or ~\$47,000 left to be spent on technology items).

- **Health Science Project**

- Construction manager at Risk for COHP project is in charge of all expenses and will be the person who will assure budget compliance for the project. Any over runs (i.e. costs above allotted funds), other than required "change orders" will be incurred by the construction manager at risk not Armstrong.

- **Consultants**

- Above and beyond the list of consultants for Armstrong that have been provided to PB&F, there were consultants on the payroll. Three names discussed.
 1. Dr. Tom Jones (Previous President) was paid through August 31, 2010. This was not secret when it occurred.
 2. Dr. Joe Buck (Previous VP of Student Affairs) was paid as a part-time faculty, at a regular part-time rate. Last regular paycheck 2009.
 3. Dr. Bill Megathlin, Director of Government Relations. Bill will retire. He was switched from a consultant to a regular employee. Assisting in the information and legislative orientation of Pete Hoffman the new Director. Specialized role, relationship based.

- **Revenue Sharing Model**

- Meeting scheduled to discuss between Dr. Bob Smith and Dr. Chris Corrigan. Current Model requires \$1.6 million in the summer monies to maintain revenue.
 - The \$1.6 million number is an aggregate value (it is not data driven value)
 - 2012-2013 fiscal year - \$1.6 million value thought that was a representation of the amount needed for revenue.
- No revenue sharing model exists. Discussion of model in progress.
- Looking at such items as:
 - Class size minimums.
 - Class without minimums, faculty teach at a lower rate. This is done but not uniformly done.
 - Past summer, individual department profits have been made but as a university not - short about \$100,000.

- Discussion is occurring and revenue sharing may occur in the future.
 - Drs. Corrigan and Smith are in discussion on revenue sharing.
 - Why do revenue Sharing?
 - Point is to give departments and faculty incentives to do more and grow the enrollment.
 - Agreement this is good to everyone. Making sure we are not going broke (i.e. need to meet revenues)
 - Models that do not share revenue do not provide incentive.
- **NOTES:**
 - Summer revenue is not stand alone. It is incorporated/integral part of the overall university fiscal budget (i.e. Summer must provide adequate revenue necessary for expenses occurred during the fiscal year).
 - There has been a history of misinformation regarding summer revenue being all profit.
 - Summer enrollment has been declining in some colleges.
 - Summer registration numbers are up at this point.
 - Pell grant changing so may have impact on enrollment numbers. Could be negative or positive.
 - Could be profitable if revenue sharing did occur.
- **Late Addition:**
 - January Senate budget update by Dr. Corrigan was confirmed.
 - Dr. Corrigan reiterated the three discrete times agreed upon by the President to engage with PBF and the Senate.
 - Spring: January update (2nd quarterly report)
 - Budget final fiscal presentation (August)
 - Budget hearing presentation to BOR information presented (December).
 - Dr. Corrigan suggested a quarterly financial report with graphics, HR metrics, timely. Presentation will also include budget hearing slides.
 - Student Activity Fee
 - Student activity fee committee representative is Dr.MacGowan.
 - Reported that students requested a fee increase (\$10.00)
 - ASU fees are much less than peer institutions.
 - Fee committee, an advisory committee to the president met twice (November & December).
 - Chancellor and the BOR sent letter to all university & colleges stating not to seek any fee increase for 2016-2017.
 - Students made a very good presentation, however only surveyed 200 students of 7100 students.
 - President did okay \$10.00 student fee request and submitted the request to the BOR. However, there is a good chance that it will not be approve by low survey rate.
- **Next meeting February 8, 2016 at 3PM in the Science Center Conference room 2603.**

Respectfully submitted:

Debra Hagerty

Addendum: To PB&F January 11, 2016 meeting minutes.

Summer Fringe Benefits:

Information was received since our January meeting on the topic of Summer Fringe rates for grants that pay salary and fringes:

As reported by Dr. Corrigan: the fringe rate should be the current FICA (6.2%), FICA MED (1.45%) and TRS retirement (14.27%) totaling a fringe rate of 21.92% not the 18.87% that is currently being used by grant office. The grant office will be disseminating to all future grant writers the new fringe rate of 21.92%