Economics Action Plan Memorandum of Understanding

Status of Action Items from 2003 Action Plan

- **Hire 12 additional faculty (eight new research lines in targeted areas and four teaching faculty). Partially completed.** At the time of the 2003 Action Plan, the department had 30 tenured, tenure track, or permanent non-tenure track faculty. The 2003 Action Plan called for that to increase to 42. At this point in time, the department has only added a net of 1.75 appointments. The net number of tenure track faculty in place has decreased; the number of clinical faculty has increased.

- **Increase funding to attract higher quality graduate students. Completed, but continue to expand.** Average stipends have risen from $12,000 in 2002 to $18,000 per year in 2010 using a combination of state funding, fellowships such as the Caroline Young Fellowship and the Andrew Young Fellowship, and course-release buy-outs from sponsored research. Funds were also made available to graduate students for travel to present papers at professional conferences.

- **Better administrative support for undergraduate and graduate student programs.** Completed. We hired a single staff member to assist in the advisement of both undergraduate and graduate students. As the number of economics majors has grown, we continue to face needs in this area.

Major Findings in Current Review

*External Review Committee*

- “Successful recruiting in recent years, especially at the tenured level, has greatly strengthened the caliber of the Department of Economics at Georgia State. In fact, the Department is probably one of most improved nationwide over this time period. While this improvement has been facilitated in part by strong support from the campus administration, it has also relied on financial resources generated by several of the research centers housed in the Andrew Young School of Policy Studies. These resources have helped to support the department’s graduate program while covering other aspects of its operations, leveraging the productivity of the campus’s investment in the unit. Generation of these financial resources requires large inputs of faculty time.”

- There may be a need for a small group of full-time active policy researchers – staff associates or ‘research professors’ – who could take on more of the considerable work load of the policy centers.

- The introduction of clinical faculty, refinements to the undergraduate curriculum and the new degree program in International Economics and Modern Languages are positive additions.

- The external reviewers called on the Department to increase interdisciplinary collaboration.

- Funding from the research centers is critical to the PhD program.

- The external reviewers suggested a renewed focus on the quality of Ph.D. students, and suggested that the Department consider a policy analysis and program evaluation focus for the MA program (and work more closely with PMAP on that endeavor).
Selected comments summarizing the APRC review:

- “Over the reporting period, the Department faculty, which added three members, have increased refereed publications and report substantial external funding. Faculty published in highly rated general interest journals and in top-rated economic field journals. During this period, the Department reported substantial external funding, notably through partnerships with AYSPS research centers and department faculty.”
- “The APRC members concur with the external reviewers that the department has made important, high-quality contributions to the university, through its publications and research, through its teaching in both the undergraduate (core) courses and graduate courses, and through service. The APRC agrees with the external reviewers that the quality of the undergraduate programs has been demonstrated and that the M.S. program is viable and solid.”
- “The department faces a challenge in using its funding in a way that better supports the research activities of faculty whose affiliation with the centers is less central to their research agendas. The nature of the relationship between the AYSPS Centers and the Department is not clear; however, that relationship appears to directly impact instruction, junior faculty development, and programmatic development.”
- “The department could use more course embedded assessments to evaluate their students’ content knowledge in the graduate programs. While comprehensive exams can be meaningful, more informative data could be obtained from student work in specific classes. Clarity on the assessment measures targets would be helpful in understanding the use of an apparently low passing threshold of tracking exams scores.”

Department Response to External Review and APRC

The Department responded to the External Reviewers and the APRC’s caution regarding the external funding model and AYS “Center” model (June 2009). We do not repeat the details here, but do reiterate that this model has been successful in many ways including generating and supporting successful scholarship (with various fields ranked among the best), a very high level of external funding (particularly on a per-faculty member basis), expanding the reach of AYS and GSU, and generating externalities to the department, school and university such as bringing in visiting scholars, policy makers from around the globe, and supporting workshops and conferences. The Department and School have worked toward clarifying expectations of work with Centers (via amendments to the P&T document, course buy-out compensation, inclusion of activities in reviews). Ultimately, faculty choose their own path in terms of the level of center involvement with recommendations of senior faculty, center directors, the department chair and deans. New “programs” that are not technically centers have developed in the Department and School, which allow more of the synergistic linkages that Centers originally helped to create. These additional linkages add to the potential for funding as well. Discussions with junior faculty over the past two years suggest that there is little confusion related to expectations.

Specific Action Steps over the Next Five Years to Improve the Department

These specific items are aimed at continuing the growth in scholarly output, grants, and successful graduate and undergraduate instruction that have been hallmarks of the Department’s success over the past several years.

**Instruction**

1. Improve the quality of undergraduate education
Hire one additional clinical faculty to reduce the reliance on part time instructors. **Additional resource need from University:** $70,000 clinical faculty line.

Based on growth of undergraduates (post-changes to HOPE), convert one to two visiting positions to clinical faculty positions. **Additional resource need from University:** $35,000 to $70,000 clinical faculty line.

Invest in benchmarking the quality of teaching by reviewing and revising current system and systemizing data collection. **Additional resource need:** $0

Investigate the need for a full time undergraduate program administrator for programming and for internship/job/graduate school placement within the AYS by leveraging experiences and resources in PMAP and Social Work. **Additional resource need from University:** $0 at the present time.

2. **Grow the base and increase the quality of graduate students**

   Continue to move toward the goal of larger PhD classes with higher quality students via increased stipends. Take a two-step approach by first increasing stipends by $3000 for an average of 15 students and secondly increase the number of students to 20. **Additional resource need from the University:** $45,000 per year in the first year, increasing to $225,000 per year by year 5 to increase quality via increased stipends plus an additional $100,000 to increase the number of students. Funds could come via increased indirect cost recovery share to the school and department, increased grant activity, and increased university allocation (via 2CI proposals for example).

   As noted in the self-study, the number of tenure track faculty in the department is small relative to other departments with PhD programs of similar or slightly larger size. Additional research faculty would be needed to support expansion to 20 PhD students and continue to improve the quality and quantity of research and grantsmanship in our core areas of strength (labor, public finance, urban/regional, environmental, and experimental economics). Based on work done for the previous APR and Action Plan commitment documents, a net increase of 10 tenure track faculty is needed to support such a graduate program and increase the productive capacity of the faculty (based on comparisons with similarly sized PhD programs, growth in the undergraduate majors, and enhanced focus on grantsmanship). We assume that 2 of those positions will come from the current evidence-based 2CI initiative. **Additional resource need from University (above that allocated for the evidenced based 2CI hires):** $1,120,000 for 8 new lines. Some of these proposed hires may be covered via future 2CI initiatives.

   Review course offerings for graduate students. There is room for more collaboration among fields so that courses may be offered more regularly. **Resource need:** No additional cost

   Increased capacity for program and career advising (MA). The School is looking to support a school-wide resource to assist in this dimension. **Resource need:** To be handled internally.

   Improved PhD job placement support. This will be accomplished within the Department through improved job market preparation of students, and by increasing faculty efforts on job placement. **Resource need:** No new funding.

   Develop a specialty track within the M.A. program that would focus on quantitative program
evaluation and policy analysis. **Resource need:** No additional funds needed as this would be supported through 2CI Evidenced-based policy and expanded research faculty.

**Creative and Scholarly**

3. **Address challenging policy issues by expanding collaboration across the campus as well as with the greater policy research community through the department and centers.** Examples include the Experimental Center’s collaboration with the Center for Economic Analysis of Risk in RCB and Emory Healthcare; collaboration within the International Studies Program (ISP) and the new hires of 2CI initiative in Evidence-Based Policy to expand work in education and health in developing countries; continued collaboration of the department with the Georgia Health Policy Center (GHPC), Fiscal Research Center (FRC), and Nonprofit Studies Program; establishment of the Regional Data Center and its outreach to partner and other institutions; the expanding expertise in domestic education and health policy which links our strong labor economics group with the College of Education, GHPC, and the Institute of Public Health, and the department’s collaboration with Political Science and Philosophy to establish courses, graduate programs, and collaborative research proposals (including 2CI). **Resource need from the University:** Additional faculty lines as noted in #2 and #6.

4. **New initiatives in the economics of urban and regional issues:** Expand on strengths in the Department, FRC and ISP in urban policy research to become more central in the debate regarding the successful growth of cities (domestic and international) including collaboration with new AYS Departments and other units across campus (particularly Law, Geography, Sociology). **Resource need:** Additional faculty lines as noted in #2 and #6.

5. **Globalization:** Leverage new hires and AYS focus on evidence-based policy to increase research in the area of domestic and developing country program evaluation employing field based research as well as expanded capabilities in economic modeling; increase the number of AYS graduates with study-abroad experiences; expand offerings of courses with global focus (through current areas of strength). **Resource needs from the University:** Additional faculty lines as noted in #2 and #6; additional graduate student support as noted in #2.

**Strategic**

6. **Complete hiring plan from the 2003 Action Plan and develop strategies for retention of key faculty:** This calls for an additional 10 lines, some of which will be filled by the 2CI initiatives if successful. The Department is at risk of losing quality faculty due to flat salaries and lack of research and travel support. The success of the 2CI initiatives and the University’s vision of increased recognition as a serious research university is at risk if quality people are not retained. **Resource needs from the University:** 8 Additional faculty lines as noted in #2 (in addition to our assumed successful 2CI hires for AY2011-12) plus additional funding of $250,000 for retention.

7. **Clarify the role between the department and centers:** Provide an updated statement of the expectations for faculty involvement in the centers for new tenure-track professors as well as tenured professors. Define the role, importance and value of center activity in department annual reviews and in promotion and tenure documents. Provide appropriate incentives and rewards for faculty to work with centers. **Resource need:** None.

8. **Increase level of outside funding:** Encourage mentoring for grantsmanship. Pool Center-School resources to increase the efficiency of grant submissions. Increase travel budget for faculty to $3,000 per full time faculty. **Resource need:** $36,000 which might come from incentivized
indirect cost recovery sharing (University-School-Department) or direct budget support from University or College. **Resource need from the University:** No additional resources requested at this time for the Department. Additional resources within URSA for research administration would be complementary.

9. **Increase number of named chairs.** **Resource need:** Covered by sponsorships and major donations.

10. **Conduct annual review of the “State of the Department”:** Create a regular evaluation of the core areas of the Department and their successes in terms of staffing, journal articles, grant submissions, courses offered, etc. as part of the annual review process to keep on top of areas of need. **Resource need:** None.

11. **Expand service and outreach activities.** Organize regular forums and roundtable discussions on current policy issues. Do an effective job of advertising these events in the media, academia and policy circles. **Resource need:** Solicit from community and philanthropists.

**SUMMARY OF ANNUAL RESOURCE NEEDS FROM UNIVERSITY:**

<table>
<thead>
<tr>
<th>Resource Need</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clinical Faculty Line</td>
<td>$70,000</td>
</tr>
<tr>
<td>Clinical Faculty Line (funded in part by the Department)</td>
<td>$35,000</td>
</tr>
<tr>
<td>Increased graduate student stipends (in addition to 2CI University Fellows)</td>
<td>$325,000</td>
</tr>
<tr>
<td>8 Tenure Track Faculty Lines</td>
<td>$1,120,000</td>
</tr>
<tr>
<td>Faculty Retention Support</td>
<td>$250,000</td>
</tr>
</tbody>
</table>

Sally Wallace: ___________________________   Date: ____________________  
Chair, Department of Economics

Mary Beth Walker: ___________________________   Date: ____________________  
Dean, College of Andrew Young School

Risa Palm, ___________________________   Date: ____________________  
Provost and Senior Vice President