Minutes of October 8 were approved.

Dr. Patton welcomed Mr. Flowers as Interim VP for External Affairs.

Dr. Patton expressed appreciation for all the support he had received from members of the Administrative Council during his tenure as President. He stated he was looking forward to working with Dr. Becker during the transition in leadership.

Budget Update

Dr. Patton commented on news reports about the Board of Regents meeting in progress, including the 8% budget cuts, the reduction in employer share of PPO and HMO premiums from 75% to 70%, and the $100 temporary fee for students at the research universities.

Mr. Flowers noted stiff questioning of the University System at legislative budget hearings earlier in the week, but reported workload formula funding seemed intact at the moment. Dr. Patton cautioned that legislative budget officers routinely share information across states, so that actions taken in other states on higher education budgets should be monitored as well. Dr. Morris cited actions taken in Florida in past years with respect to state appropriation offsets of indirect cost recovery funds.

Dr. Patton stated support for the temporary fee, but warned the legislature would hear from the public if the only noticeable action taken was raising fees. He predicted the legislature would direct the Board of Regents to continue cutting budgets until there was “blood in the gutters”.

Dr. Henry added the Board of Regents was instructing all units to proceed with faculty and staff merit raises effective January 1, 2009, but without a commitment to fund annualization of those raises in FY2010. He explained absorption of the annualization cost in the continuing budget would be equivalent to an additional 1% cut for FY2010.

Dr. Henry outlined strategies discussed in FACP to handle FY2009 budget cuts up to a worst case scenario of 10% ($22.5M). He indicated the second 1% hold placed on college and vice presidential budgets would not be needed to balance a 10% cut given projected temporary fee revenues, insurance savings, tuition revenues above the original budget, and unallocated original budget dollars in anticipation of cuts.

Dr. Henry warned FY2010 will be a difficult year, if the actual cuts are 10% on top of the annualization 1%. He noted talk of rescinding the fixed-for-four tuition plan, which would not have immediate benefit since all students already on fixed-for-four tuition would continue on the plan. Dr. Henry reported he advised the deans to fill only three quarters of vacant positions.

Dr. Patton urged restraint in expenditures for travel, advertising, etc. He observed internal spending controls now could lessen chances of more severe budget reductions in the future.

Dr. Rackliffe pointed out that the official budget cut for the University System was still at 6% rather than 8%. He voiced concern that the temporary fee had been presented originally as a measure to take if the cut were 10%.

Dr. Renick reported 23,000 students had registered for spring semester, and 12,000 had already paid their tuition and fees prior to the imposition of the temporary fee. He indicated students would be billed for the temporary fee, but not de-registered immediately. Dr. Renick explained financial aid packages were calculated for more than the base tuition and
fees, so the temporary fee would be covered with the offset coming from financial aid dollars left for books and living expenses.

Ms. Hines commented that the Board of Regents Office was sending out several different letters with information about the actions taken on the budget to the affected offices on the campuses. She voiced concern about coordination of communications to the constituencies.

Dr. Rackliffe announced the change in employer share of PPO and HMO premiums prompted the Board of Regents to set another open enrollment period for December 3-15, 2008, in order to allow employees to switch health insurance plans, in particular to the less expensive high deductible health plan for which the employer share will remain 90%.

Dr. Renick asked about any classes of students exempted from the temporary fee, such as Georgia ONmyLINE students. Dr. Rackliffe responded such details were not yet available. [Later word from the Board of Regents confirmed all students would be charged the temporary fee, except those currently exempted from mandatory fees.]

Ms. Peterman asked about communications to staff regarding the budget actions by the Board of Regents. Dr. Patton answered that official notices from the Board of Regents would have to precede any communications from the university administration to staff, and that minimal information should be stated with so many uncertainties ahead. Ms. Peterman commented that it was important to issue uniform messages on such sensitive matters. Mr. Medlock added that staff wanted to know their raises would take effect. Dr. Patton again cautioned there was too much uncertainty regarding whether the funds would be in place. Ms. Hines pointed out the Board of Regents posted information from its meetings on its web site, and there would be same-day news stories about the budget actions. She added that GroupWise broadcasts would miss certain employees, who do not have work computers.

Dr. Morris asked if individual institutions could make plans to annualize salaries for FY2010 in the event the Board of Regents did not take action for the entire University System. Dr. Huss asked if the same might apply for furloughs. Dr. Henry replied all institutions must follow the same plan, which would be discussed at the meeting of presidents in January 2009. Dr. Rackliffe reiterated that a law suit against the Board of Regents had definitively established uniform treatment across all institutions in such matters.

Research Administration Policies

Dr. Morris informed that a series of draft policies will come to Administrative Council in the next few months in order to address issues identified in recent NSF audits and to prepare for submission of a new indirect cost recovery rate proposal. He stated that FY2010 would be the base year for the rate proposal and hence it was important to have policies and procedures in place as soon as possible.

Dr. Morris presented the proposed Subrecipient Monitoring Policy. He commented that this policy reflected increased scrutiny of federal contracts with regard to audits of subgrants to entities outside the university. He cited in particular the challenge of auditing subgrants to international organizations. Dr. Morris summarized that more and more money meant more and more risk and in turn more and more scrutiny.

Mr. Roth stated other universities were addressing subrecipient monitoring in ways similar to those proposed in the policy. Dr. Morris highlighted responsibilities of principal investigators in the policy and the need to go to sites to see first hand how monitoring was done and to scrutinize charges to grants on a monthly basis. He characterized the policy
as a risk level threshold model.

Dr. Moore raised several concerns relating to one-month notification of intent to extend subawards and the cost of compliance. Dr. Morris responded that no cost extension required advanced warning and review of all receipts might in some cases substitute for audits on site. Dr. Morris stated it was increasingly important to consider up front whether grants were worth pursuing in light of the cost of audit requirements, and sometimes the decision should be not to pursue.

Dr. Adamson asked about the reference to federal grants only in the rationale statement of the proposed policy. Dr. Morris replied that the policy applied to all sources since federal regulations required uniform treatment. He noted that in many cases state awards were in fact pass-throughs of federal funds.

Dr. Morris made a motion to approve the Subrecipient Monitoring Policy as presented. Dr. Adamson seconded the motion. The motion passed.

Dr. Morris next presented the proposed Indirect Cost Waiver Policy, which formalized current practices. He explained that the last policy update by his predecessor, Dr. Louis, to achieve similar objectives had not been formally adopted, but was reflected in current practices. Dr. Morris pointed out that federal regulations again required uniform treatment for all sources. He added that the allowance of partial or full waivers in special cases, such as foundations which do not fund indirect cost recoveries and state agencies, tied to cost share policy, which would be forthcoming.

Dr. Morris made a motion to approve the Indirect Cost Waiver Policy as presented (with a grammatical correction spotted by Dr. Heyward). Dr. Huss seconded the motion. The motion passed.

Digital Monitor Policy

Mr. Albert presented the proposed Digital Monitor Policy. He noted this policy was an outgrowth of discussions about campus emergency notifications, but also concerned public image uniformity, authorization of locations, and technical implications. Mr. Albert indicated the proposed policy had been discussed with the core web committee and the Deans Group.

Dr. Henry commented that the Deans Group discussion raised questions about small digital signs used for room use information in some buildings. Ms. Peterman mentioned similar concerns about donor recognition electronic signs. Dr. Heyward injected that there was no simple way to state exempted signage in the policy statement and that the objective was to avoid confusion about where emergency information would be posted. Ms. Peterman suggested a plaque on monitors, which were not part of the emergency notification system. Mr. Albert assured that the policy was aimed at public information displays rather than specialized signage. He expressed openness to exemptions.

Dr. Moore commented that digital monitors were used for closed circuit broadcasts of seminars, which attracted more interest than seats were available. He pointed to shared time for up to 20% university content as a problem for these monitors. Dr. Moore urged that the policy focus on general information display devices only. Dr. Adamson recommended changing the name of the policy to indicate it applied to public information displays.

Dr. Huss asked about implementation of the policy relative to various types of approvals and ownership of servers. Dr. Henry and Mr. Albert responded that CBSAC approved locations. Mr. Albert added that the only servers provided by IS&T for these systems were those which push video downstream to the servers in the various units. Mr. Medlock suggested a broadly representative working group like that created for implementation of Red Dot applications in the colleges and vice presidential areas. Mr. Albert replied that the technology subcommittee of the ISAT Committee was already serving this purpose.

Dr. Finn observed that much of the discussion was centering on procedural matters, which should be linked to the policy rather than included in the policy.

Mr. Albert made a motion to approve the Digital Monitor Policy as presented. Dr. Heyward seconded the motion. The motion passed.

Announcements
Dr. Adamson announced the holiday concert on December 7 and the iron pour on December 13.

Dr. Henry thanked Dr. Patton on behalf of the Administrative Council for his outstanding service as President. The membership rose for a standing ovation.

Prepared by Edgar Torbert
Approved _______________