University Senate Budget Committee
Minutes
September 10, 1998


The meeting was called to order at 1:10 by the Chair, John de Castro.

I. Approval of Minutes

The minutes of the July 16, 1998 meeting were approved as distributed with one deletion.

II. FY98 Budget Status

The committee was updated on the fall enrollment shortfall. The new figures, which are quite similar to the previous estimates are expected to be a $4.45 million shortfall. This shortfall is based on actual revenue rather than credit hours. However, the drop in credit hours per student was from 11.2 to 9.9. The potential total shortfall for FY99 is estimated to be $1.273 million if the spring is down as expected by 13%. Although there are a large number of unknowns in projecting the FY00 shortfall, there is a potential shortfall for FY00 of $5.062 million. This may be considerably less as other universities have shown a significant rebound in the Spring semesters. GSU has chosen to be very conservative with its estimates.

The question of the May-mester was raised by one committee member which sparked much discussion and confusion. It is the understanding of the University that the revenue from the May-mester will be counted as part of the summer semester which falls in FY00, but the funds to pay salaries need to be encumbered in FY99. It is the wish of the committee to carefully check with the Board of Regents and if necessary the State to determine the constraints of the Federal Guidelines of the May-mester. If possible, the committee would like the revenue to be counted as part of FY99 since it would only heighten the budget deficit to fund the salaries in FY99 without any revenue.

Some concern was raised about the very conservative estimated shortfall for the Spring semester when historically other universities who have switched to semesters have shown a significant rebound. This estimate was explained by comparing the targeted credit hours of the fall semester of 271,400 and the actual credit hours of 224,000 and then historically looking at the decrease of credit hours at GSU from fall to winter/spring. The targeted credit hours for spring is 247,100 and the decrease is expected to be approximately 10,000 credit hours. The result is the 13% decline.

The provost then detailed 3 strategies that were determined in discussions with the Deans to increase credit hours for the spring semester: 1) an information campaign to the
students so that they will recognize why it is in their best interest to take more credit hours: a) progress towards their degree, b) the plateau pricing (5th course is ¼ price and the 6th course is free); 2) Work on getting more transfer students for the spring but making the transfer process more student friendly; 3) Use the mini-semester more aggressively especially for master's students in the Colleges of Education, Business, and Arts & Sciences.

The issue of graduate student enrollment was then raised. The drop in graduate student enrollment is 19% while the head count is only down 4.7%. The strategy here would be to get the message out to the students to take a full load rather than the minimum of 9 hours. It was also mentioned that the GSU fee structure was becoming a problem for the graduate students since they could take the same course at another state university for less money. In addition, the financial aid cap of catalogue credit hours is also a problem for graduate students in the number of hours registered for per semester. It was suggested that the federal guidelines on financial aid should be looked into.

Projections for Summer 99 show a very large shortfall of 25% in enrollment which is based on what has happened at other universities. The committee felt that this large projection was not appropriate for GSU considering the different kind of demographics of the student body, which includes teachers that want to take a large number of classes during the summer.

Overwhelmingly, the committee felt that the University should hold off on next year's projections until we have a better idea of the spring figures.

The question of the redirection estimates and how they distort the budget process was raised. It was explained that this redirection was not mandated by the Board of Regents but by the State and with a new governor coming this year this issue was very sensitive. The committee felt that the redirection figures needed to be revised and that FACP should look at this figure carefully.

A draft of a University Senate Budget Committee Resolution to the University Senate Addressing the Budgetary Challenges of Semester Conversion was handed out by John de Castro. It was stated that this resolution was created by a number of budget committee members. The floor was then opened for discussion by John de Castro.

It was discussed that this document requests a delay in decision making until the point when more data is available to make a reasonable decision. However, once the data is in place decisions are made very rapidly and it was felt that it would be beneficial to have guiding principles in place.

It was the concern of some committee members, after reading the President's Letter, that many of these decisions had been made and that it is important to reaffirm that the University already has procedures in place to make decisions. No response to this letter would mean the committee was accepting these decisions and agreeing with the letter.

The staff advisory council president as well as other members of the committee stated that the staff is taking this letter very hard and are asking if the process and decisions are already in place.

The committee was assured that no decisions have been made and that FACP will take
up the decision making process tomorrow at their meeting. However, the administration feels that they can not make any changes in the budget shortfall without layoffs.

A major concern of the committee that it was very clearly stated in the letter that the shortfall would be made up from the colleges and that the non-academic units would not participate in correcting the problem.

An additional handout was distributed by a committee members that summarized that the actual distribution of the budget to the colleges. This handout indicated that colleges had not been given preference and their budgets remained constant at 60% of the total University budget after 3 cycles of redirection. In addition, the member outlined data that showed that during the last 3 budget cycles more staff was hired in units outside the colleges than in all the academic colleges.

Tim Crimmins proposed 2 amendments to the document:

In the paragraph beginning "Whereas the 1998 University Action Plan has established a set of principles...." should be amended to say "Whereas the Budget Committee has recommended and the University adopted a set of principles...."

Under "Therefore let it be resolved" the last seven words of item #1 which reads "....agreed to in the 1998 Action Plan" should be amended to say "....principles 1-4 numerated above."

These were accepted as friendly amendments by the Chair, John de Castro.

In addition, Tim Crimmins proposed an amendment to item #4 under "Therefore let it be resolved" which reads "The University should do everything possible...." should be amended to say "The University will consider everything possible...."

This was accepted as a friendly amendment by the Chair, John de Castro.

Sam Deitz proposed an amendment to item #3 under "Therefore let it be resolved" which reads "The University strongly considers reduction and/or delay of expenditures for major capital and one-time projects in preference to cuts in faculty and staff" should be amended to say "The University will consider reduction and/or delay of all one-time and continuing expenditures in preference to layoffs or cuts in faculty and staff."

This was accepted as a friendly amendment by the Chair, John de Castro.

It was noted that the document had not been formally seconded. Elliott Albers seconded the document.

The resolution was unanimously adopted as modified.

III. Linkage of Action Plan of the Strategic Plan to Budget Allocations for FY99

No discussion or comments were made about the linkage document.

The meeting was adjourned at 2:45 p.m.