The meeting was called to order by John de Castro at 2:35 p.m.

Approval of Minutes

The minutes of February 18, 1999, meeting were approved with two attendance corrections.

FY99 Budget Status

The Committee briefly reviewed the FY99 budget status. The projected FY99 excess of revenue over expenditures is $494,282 which is being allocated according to the Fiscal Advisory Committee schedule (distributed last meeting).

Fall Admissions projections

George Rainbolt presented his rough projections for next Fall freshman and transfer enrollments. The projections were made using what he felt was the "cleanest" method. That is, to assume that the numbers would be distributed just as they were last year--yield, % of applications incomplete, % denied, % admitted etc. He looked at applications coming in and assumed that they would distribute themselves just as they did in Fall '98. The numbers vary a considerably because the incoming applications do not come in an orderly fashion, but the projections are still well ahead of Fall '98 enrollment George offered a few comments about this data:

The numbers of incomplete applications are up this year. Specifically, those missing high school transcripts. This reflects a change in policy. The high school guidance counselors are no longer collecting transcripts (students have to request transcripts). The admissions office is addressing this by sending out reminder postcards.

During the Fall '98 cycle, the transfer students were still on a quarter system at this same time last year. This may be a wildcard affecting transfers.

George Rainbolt believes that we are feeling the effects (increase in applications) of favorable publicity which resulted from the dramatic increase in standards.

A question was raised about the transfer numbers. Our previous main source of transfer students has enrollments that are way down. Why are we getting such an influx? It was proposed that the change might be due to our being more "transfer friendly." Also, the dropping of some of the transfer requirements has, no doubt, led to an increase. Overall, though, the numbers are puzzling. There are many other changes and
John de Castro interjected that the things just mentioned are going to increase yield, but noted that George's projections are based upon applications. Factoring in increased yield might mean that the projected numbers are low. An additional reason that yield may increase is the communications package that will be implemented (periodic, scheduled contact). The Committee was reminded that these projections are based on the numbers staying the same as last year.

George Rainbolt drew the Committee's attention to the fact that summer applications are up 200% due primarily to a very high number of transfer students. Considering that these summer transfer students will remain and further increase predicted Fall enrolments. It was noted that the budget projections for next year were based on a model of substantial decrease in summer enrollments (historically schools on the semester program have a decrease in summer enrollments) and that the numbers may indicate that we may not get this predicted decline.

A concern was raised about the possible dramatic increase in unmet demands. It was acknowledged that there will most likely some unmet demand problems—especially at the lower levels for freshmen and the upper levels where new transfers come in wanting upper-level courses like accounting and business courses etc. This has implications that the Committee should be thinking about for budget allocations.

The Committee was cautioned that the projection numbers are just that and it was emphasized that all improvements in recruitment, communication etc. should continue.

One of the budgetary implications might be for how contingency monies should be allocated during the summer. The contingency monies are not spent until they actually come into the budget. In the past, contingency funds that accrue during the summer are spent on items that have postponed from the prior fiscal year or items that have be previously scheduled to receive contingency money. It was suggested that a some of the contingency money from the summer be held back to fund instructional needs to meet unmet demand.

It was suggested that with the large increase in summer transfers it would be helpful if the University could avoid having unmet demand in the summer since it is just going to backup into the Fall when the students try to get those courses again. If we project significant unmet demand in the Fall, it would be important to try to meet the large transfer demand this summer.

Alpharetta Campus Budgetary Considerations

Bill Decatur distributed a financial pro forma, which was prepared for the financing and bond issue for the new Alpharetta Center. The current status of the project is that the construction drawings are nearing completion, and as soon as the attorneys finalize the contract language, the contractors are lined up to begin site development work (grading and installation). The project is on schedule for completion in November and a January 2000 move in. Bill Decatur explained that the handout is a 20-year pro forma. FY2000 is a partial year since opening is planned for January.

Notes about the handout: NMC stands for North Metro Center, "Internal Redirection" is a "plug" figure to balance the overall budget. A "Marginal OMP Allocation" from BOR is part of the budget submittal that has been turned into the Board of Regents. The formula allocation ($5.06? a sq. ft.) is no longer automatic, but it has been requested and is expected to be granted. The current NMC budget is the current operating budget (staff and operations). Under "use of funds" the "contracted building services" illustrates the plan to contract custodial maintenance, supplies, trash collection etc. rather than try to run that from a distance with University staff. "Additional personnel" is entirely for additional library and computer support staff. Additional requests have come in to the Provost's Office and Mr. Rackliffe is going to review the budget with both programs. The numbers are looking a little larger partly because of the growth of the program since the time this was originally put together. Rent payments to GSU Foundation: 1/2 yr. in 2000 and then full years are shown.
after. Also, note that the "Internal Redirection" jumps in FY 2001 (the first full year) is almost entirely because of the rental increase for a full year of debt services.

The Foundation has partnered w/ the city of Alpharetta to finance the construction of the facility. Alpharetta is responsible for paying the debt services on 1.6 million and the Foundation is paying 9 million of it (our rental fees provide the revenue for the Foundation to make the debt services payments). In addition, the city of Alpharetta has guaranteed all the debt service payments in the event that the Board of Regents does not renew the University's annual lease. With the city's guarantee, we were able to use the city's credit rating which was a double "A" bond rating. The interest rate is, therefore, outstanding.

It was noted that it is not certain where the "Internal Redirection" money is going to come from. FACP and the Senate Budget Committee's deliberations will address this.

Considering these figures, the University will need to come up with a little less than 1/2 million dollars somehow for next year. A question was raised about the extent to which this could be funded from increased enrollments. Given the nature of the financing, it wouldn't be prudent to make it reliant on contingency funds because if we don't make the rental payments, the Foundation cannot make the debt services payments and we lose the facility.

It was requested that Bill Decatur address some of the transition costs/plans since it is possible that the Centers may be functioning simultaneously next spring. Bill Decatur pointed out that the Transition Task Force is looking at this and will provide recommendations. The reason for the possibility of having both facilities open at the same time is that we are locked into the NMC lease until June 30 but we are anxious to get the Alpharetta Center open. Since construction plans rarely stay in schedule, this also provides some cushion and flexibility. If we hit the planned opening date we may be able to phase in the Alpharetta Center.

A question was raised about the rent on the pro forma. The pro forma indicates that the current rent for North Metro is approximately $423,000. It appears that this is being factored in but will also be being paid in FY 2000 (at least in the first half). So, is it possible that we will be encountering an additional 400,000 shortfall? Bill Decatur will check with his staff about this.

There are other costs inferred such as equipment and furniture, but some of that is showing up in the new funding requests (attached to distributed agenda). A number of requests are being made for staff. If the two are running simultaneously, it was noted, there will be significant costs in equipment and furniture. Bill Decatur noted that this has been looked at several times. The University is not planning on transferring very much equipment from the NMC. CBSAC at its meeting last week reviewed some reallocation of funds. Some of this money will be used to begin ordering some equipment this year. The Provost will be looking at the Instructional Technology budget, which is another 1 million dollars for technology equipment as one potential source for the computer and AV equipment. The fact that much of the furniture and equipment on the main campus is in quite bad shape was noted and the possibly of sharing some of the new equipment being purchased for the Alpharetta Center was raised.

The North Metro Center records show it as resource generator and the expectation is that the Alpharetta Center will be too and that it will eventually increase the revenue for the University.

A question was raised about the enrollment projections for the Alpharetta Center. Bill Decatur noted that a taskforce (assembled at the Provost's request) is reviewing all of the academic programming for the facility and developing transition plans including marketing to students in the Alpharetta area. The new space will be double in size and of a much higher quality than the NMC.

**FACP Minutes**

The Fiscal Advisory Committee has received funding requests from the Units. The actual funding requests
that could have come in would have been substantially higher except that the Units where asked not to submit anything beyond 5% of their current budget. FACP is going through a cycle of speaking with the Unit heads to discuss particular items, their rational, priorities etc. The problem that is going to arise is that the Fiscal Advisory Committee does not and will not know the amount of money that will be available to spend until the very last minute. The decisions have to be made in incredibly rapid order, making it challenging to make rational decisions. John de Castro opened the floor to advice and input for the Fiscal Advisory Committee. He stressed the importance of have operating ideas-a set of guiding principals-on which to base and process decisions (not all of the requests can be funded). The Budget Committee can take part in the process by stating priorities and highlighting initiatives they feel are important. Later, the Committee can review what has been done in order to elucidate future discussions. The meeting was opened for discussion (last years' budget priorities were passed out as well as a very rough draft of some of John de Castro's ideas of things to look at when making budget decisions).

A member suggested that another priority should be increasing retention through internal development. John de Castro stated he had intended to put staff development and retention to the list since high turnover costs the University a lot of money.

John de Castro welcomed telephone calls and e-mail providing feedback regarding this issue.

Other Business

Adjournment

The meeting was adjourned at 3:30 p.m.

Respectfully submitted,
Rhonda R. Lynn