University Senate Budget Committee Minutes

Thursday, February 20, 2003


Meeting was chaired by Steve Kaminshine.

I. Approval of Minutes
The minutes of the January 9 meeting were approved.

II. Legislative Update
Tom Lewis provided an update of the legislature’s budget deliberations.

III. Library Advisory Committee Resolution
The resolution was withdrawn from consideration.

IV. Report from MRR Subcommittee
Tom Netzel, chair of the joint Planning & Development/Budget Subcommittee presented the subcommittee’s report (Attachment A).
Looking at the project ranking sheet that was submitted to CBSAC on February 13, 2003 and discussing the criteria from left to right. (The left-hand bold numbers are those given on the Ranking Criteria Worksheet also given to CBSAC.)

1. Reducing Operating Repair Costs (14)
   It is very important to specify quantitatively how the 0 to 5 scores are judged as this criterion has an extremely powerful weighting effect.
   
   At this time it is not clear exactly how the 0 to 5 scores are developed. Since this is such an important criterion, the exact amounts of operating funds to be saved should be given for at least the top ten projects. These dollar amounts should have notes describing the various assumptions used.
   
   Note that electricity and water usage savings are not estimated at this time. Neither are any productivity costs or laboratory equipment damage estimates considered. If HVAC, for example, fails and expensive teaching or research equipment is damaged, these cost are not born by the university’s operating budget, but rather by departments and research programs.
   
   Also the time horizon for summing savings is not specified.

5. Increasing Access (6)
   The 0 to 5 scores allow the strategic importance of various access points (e.g., elevators) to be explicitly assessed. This is very good.

2. Community Impact (10)
   Teaching and Research, as our core mission areas, are appropriately given the highest scores (5).
   
   In spite of this projects 3 and 4 are library AHU replacements. A fair conclusion is that the high scores for community impact on Teaching and Research do not necessarily drive only these projects to the top of the MRRF list.
   
   On the other hand except for projects 3 & 4, the top 15 projects all impact Teaching and Research. This seems like a reasonable outcome from a strategic perspective.

4. Building/System Age (8)
   The appropriateness of this criterion is not clear. So what if a building or system is either old or new ipso facto. What should be judged is whether or not a given building or system is reliable for the university activity that it supports.
   
   The reliability of a given system for the service that it supports, any operating cost savings to be gained by its replacement, and the criticality of the supported service in question seem to be more appropriate measures by which to rank MRRF projects.
   
   The BOR gives expected service lives for various physical systems. At a minimum, the percent
remaining useful service life of a system should be used instead of its mere age.

It's also worth noting that the top 12 GSU MRRF projects are all for systems and buildings that are >16 years old with twelve of them >20 years old. The large inventory of very old buildings and systems at GSU is in fact directly responsible for our inability to properly maintain our research infrastructure.

6. Building Function (10)
A score of 5 goes to classrooms and laboratories. Note that all of the top 15 MRRF projects are judged to support classroom and laboratory facilities at GSU. This seems appropriate from a strategic perspective.

3. Project Phasing (10)
This is a very powerful criterion as the scores are either 0 or 5. It is powerful, but it is rarely used. However, the three times that it is used in the MRRF ranking list it propels projects to the very top echelon of the ranking. See specifically projects 2, 3, and 4.

This powerful criterion is essentially a trump card for F&A. As long as it is used judiciously, it is fine.

However, since it is such a powerful trump card, F&A should supply notes for all projects with a score of 5 to explain exactly why this high score is justified. Importantly, the costs of not scoring a project as a 5 should be explicitly discussed.

General Comments:
It is interesting to note at a Research critical project, #15 Science Annex Chiller Replacement, is at the $7.46 million dollar cutoff. With annual MRRF allocations of $3 million/yr. from the BOR, it will take the FY04, FY05, and FY06 MRRF cycles to get the funds authorized to replace the 20-year old and highly unreliable HVAC chiller on the science annex. Then in FY06 the work will be able to be bid, contracted, and completed. By then it is very possible that as much as $2-3 million dollars of research equipment may be damaged due to excessive relative humidity on days when the chiller failed. Note that the chairs of Physics, Chemistry, and Biology have all requested (and the CAS chairs council has concurred) that this unreliable chiller be replaced.

To conclude, the real problem at GSU faces in the MRRF area is not so much how to select worthy projects, but rather how to find the funds to keep our research and teaching missions from crashing. Continued inadequate upkeep of our major infrastructure systems will have long-term adverse effects on our efforts to reach our strategic objectives. Poorly functioning HVAC, elevator/access, and roofing systems will reduce moral, impede teaching, and stymie research growth across all disciplines in our university.

If the Budget Committee concurs, the Joint MRR Subcommittee with Budget and P&D (Note that P&D has already agreed to continue this subcommittee) will continue its work with F&A. Later this year and into next year, the Joint MRR Subcommittee plans the following actions:
(1) Meet with F&A staff to assess the impacts of the BOR’s FY04 MRRF allocation to GSU,
(2) Continue our joint review and upgrading the MRRF ranking criteria,
(3) Examine ways of increasing faculty and departmental input into the MRR project selection and definition phases of the MRR cycle, and
(4) Examine options for increasing MRRF funds.