MINUTES
FISCAL ADVISORY COMMITTEE TO PRESIDENT (FACP)
NOVEMBER 14, 1997

Members Attending:

Cleon Arrington, John de Castro, Bill Decatur, Sam Deitz, Sherry Gaines, Tameka Harper, Ramona Hasan, Ron Henry (chair), Fred Jacobs, Charles Marvin

Members Absent:

None

Others Attending:

Carol Clark, Rich Heller, Terri Lemons, Jerry Rackliffe, Jim Scott, Edgar Torbert (secretary)

The minutes of November 7 were approved as distributed.

Health Services Fee

Ms. Lemons presented a proposal to increase the health services fee from $10 per quarter to $12 for Summer 1998 and $18 for Fall 1998 and Spring 1999. She outlined uses of the new revenues to include a second 4-hours per week for the psychiatrist, a second 4-hours per week for the family physician, 6% staff raises, and increased medical supplies, equipment, and lab services costs.

Dr. Deitz inquired about the roles of Counseling Center personnel and the psychiatrist. Dr. Scott replied only the psychiatrist could prescribe drugs. Dr. Gaines noted the psychiatrist works closely with the psychologists in the Counseling Center. Ms. Lemons pointed out the psychiatrist was housed in the Counseling Center rather than the Health Clinic.

Dr. de Castro inquired about the fee incident numbers used in the projections. Dr. Scott responded these were provided by Mr. Rackliffe. Dr. de Castro inquired about the projected software expenditures. Ms. Lemons stated the new software would enable tracking of patients for reporting purposes, which was currently done manually. Dr. de Castro questioned whether these should be treated as one-time costs. Ms. Lemons replied the funds would be used for other technology needs in subsequent years.

Dr. Gaines inquired about the impact of student housing on health services use. Ms. Lemons stated use had increased significantly. Ms. Harper inquired about the number of freshmen using health services. Ms. Lemons replied this data was not available, but the new patient-tracking software would enable this kind of reporting. Ms. Harper inquired about student surveys regarding an increase in the health services fee. Ms. Lemons stated the most recent survey was two years ago, and 58% at that time favored an increase for increased services.

Dr. Deitz inquired about the accumulations of both contingency and reserves and at what level the fund balance should be maintained. Dr. Scott responded the amounts proposed were necessary in the event the health services fee was not increased annually. Mr. Rackliffe added the fund balances were a cushion against a potential drop in fee revenues with semester conversion.

Student Center Fee
Dr. Scott stated the new student center would open March 30, 1998, and the student fee proposal was two-pronged: (1) a $6 fall and spring semesters and $4 summer fee to support operation of the new student center, and (2) a $6 fall and spring semesters and $4 summer fee to establish a replacement and repair fund for the old and new student centers. Mr. Heller pointed out both student centers were needed to meet student programming needs. He added the increase in the student center fee from $12 to $14.50 in FY98 had been to meet mortgage costs only. Mr. Heller also called attention to the $142K gap in formula-funded OMP for the new facility, which he stated would necessitate an additional student center fee increase of $2.70 fall and spring semesters and $1.80 summer, if not otherwise allocated from state funds. Mr. Heller requested the portions of the student center fee be consolidated as one student center fee of $37.50 fall and spring semesters and $25 summer. Mr. Rackliffe noted the Regents would treat the student center fees as a single fee request.

Dr. Deitz inquired if there would be any changes in state-funded positions with the opening of new student center. Mr. Heller responded there would be no change. Dr. de Castro inquired about the difference in the total sources of funds as shown on the pro forma ($2.78M) versus the budget summary for FY99 ($2.74M). Mr. Heller replied this was due to using different numbers of fee incidents, and Dr. Scott indicated the pro forma with figures supplied by Mr. Rackliffe would be used. Dr. de Castro inquired about the commissions listed under auxiliary enterprises revenue. Mr. Heller responded the commissions were from food service operations at 5% of gross, and added the commissions might yield a higher return, but absent a track record he was more comfortable with a conservative figure. Dr. Henry inquired about current commissions. Mr. Heller indicated there were none for the student center, rather all food service commissions went to Auxiliary Services.

Dr. de Castro questioned the number of new staff positions proposed. Mr. Heller outlined the responsibilities for each administrative position, noting two major divisions of student center staff for (1) building operation and (2) services/programs. He added a significant number of students would be employed as well. Dr. Henry inquired about custodial staff. Mr. Heller responded custodial staff would be employed by the student center rather than physical plant, which would allow greater flexibility in dealing with peaks and valleys of student center activity. Dr. de Castro inquired about the history of student center marketing efforts. Mr. Heller responded marketing would be a new endeavor since there had not been a facility to market heretofore. He noted opportunities for dual marketing with GSU Village during summer months and with the conference center.

Dr. Deitz commented the proposed staff appeared top heavy with a lot of managers and few workers. Dr. Heller responded that with a new facility it was uncertain how many workers would be needed (e.g., number of floor care personnel for a new flooring product). Dr. Scott commented that when he arrived there was no budget or supervision for the student center and that assistant dean positions had been eliminated in conjunction with redirecting staff positions from Student Life to Enrollment Services. Dr. de Castro reiterated concern about the levels of management versus the number of workers. Mr. Heller noted the 30-50 student staff would have to be trained and supervised in addition to the regular, budget-line staff.

**Executive MBA Program Fee**

Dr. Henry presented a Fiscal Year 2000 proposal from the College of Business Administration to set the Class of 2001 Executive MBA two-year fee at $35,000 compared with $32,500 for the Class of 2000. Dr. Henry noted approval was requested two years in advance in order to initiate recruitment in fall 1998.
Dr. Deitz inquired if this fee would count against the state appropriation. Dr. Henry responded an exception had been granted for this program. Dr. Henry inquired as to how the year-to-year balances were handled. Mr. Rackliffe responded the first-year balance was carried over to cover the more expensive second-year program including a trip to Japan, and any balance after the second year was swept. Dr. Decatur pointed out the budget increase was presented entirely in terms of inflation without reference to any strategic initiatives. Dr. de Castro commented this program differed from others in that it was a direct charge for services rendered and was not subsidized from the regular FC10 budget. Dr. Jacobs observed the program was exceptionally well-managed with continuous reviews and improvements aimed at satisfying the "customer". Dr. Henry added the program was ranked 9th in the nation, might soon be augmented by a second class at the North Metro Center which would be geared to service industries, and was expanding its international focus to include South America as well as the Orient.

Overall Fee Picture

Dr. Henry advised the next meeting would include discussion of the overall fee picture as well as the individual fee proposals. Mr. Rackliffe distributed a table showing all existing, projected, and proposed fees and total fees for full-time undergraduate and graduate students, if all fee changes were implemented.

Dr. de Castro questioned continued collection of the recreation center facility fee without approval to proceed with the construction project. Dr. Henry responded approval by the Board of Regents was anticipated in March 1998, and collection of the fee to this point constituted an investment in common good. Mr. Rackliffe pointed out the fee was activated only after approval by the Board of Regents of the original payback bond project, which later failed to gain support from Governor Miller. Dr. de Castro urged collection of the recreation center facility fee be suspended, if the Board of Regents does not approve the project this year.

Indian Creek Recreation Area-Phase II Renovations

Dr. Henry noted a proposal to expend $20K from the student activity fee fund balance for an architectural study of Phase II renovations at the Indian Creek Recreation Area would be referred to CBSAC prior to consideration of the funding issue by FACP. Dr. Torbert outlined the scope of the proposed project as presented to the Student Fee Committee by Mr. Krafka. Dr. Decatur recommended postponement of action until completion of the master plan.

Redirection

Dr. Henry distributed a draft list of redirection targets and percentage shares for the colleges and vice presidential areas. Dr. Decatur noted Student Life & Enrollment Services had redirection targets but no percentage share, while Finance & Administration had both. Dr. Henry pointed out that most of the redirection targets outside of Student Life & Enrollment Services were final iterations of phased-in redirections over three years; e.g., Physical Plant, Georgia Career Information Center, Continuing Education-University, Continuing Education-COBA. He added that the Creative Services redirection would implement the chargeback-based business plan for that unit developed two years ago. Mr. Rackliffe pointed out the total redirection mandated by the Board of Regents for GSU was approximately $100K higher than the total of the draft list. Dr. Henry responded the percentage shares would be adjusted accordingly.

Dr. de Castro inquired how the colleges would deal with their percentage shares. Dr. Deitz
responded savings between retirements and replacements would cover substantial portions in most areas, except Business Administration. He added at 0.55% the percentage shares would not be "killers" in any case. Dr. Decatur urged FACP to recommend the colleges protect enrollment capacities in meeting their redirection targets by redirecting from support areas. Dr. de Castro noted some departments were counting on savings from retirements to hire additional PTIs. Dr. Henry commented that the larger colleges had greater flexibility to deal with redirection. Dr. Deitz stated the colleges should be looking at ways to "clean" without affecting instruction.

Dr. de Castro inquired about redirection from fringe benefits. Mr. Rackliffe responded the fringe benefits on the draft list were centralized fringe benefits (e.g., workman's comp). Dr. Decatur added the recent track record of tort claims backed this decision.

Dr. de Castro inquired how the redirections would be accounted with the Board of Regents. Mr. Rackliffe responded the base budget would be reduced by the total redirection amount.

Ms. Hasan voiced concern among staff about hiring practices arising from redirection; e.g., increasing work loads for lower-paid staff by redirecting some lower-paid positions while at the same time setting up new higher-paid positions.

Dr. Henry reminded internal redirection requirements would be on top of the redirections on the draft list.

Dr. Gaines asked that the Health & Human Sciences percentage share be rounded more favorably when the adjustments were made for the additional $100K.

Dr. Gaines made a motion to proceed with the redirection targets and percentage shares as corrected for the additional $100K. Dr. Deitz seconded the motion. The motion passed.

The meeting adjourned at 10:30 a.m.

Prepared by Edgar Torbert
Approved December 12, 1997