Members Attending:

Cleon Arrington, John de Castro, Sam Deitz, Sherry Gaines, Ron Henry (chair), Charles Marvin

Members Absent:

Bill Decatur, Tameka Harper, Fred Jacobs

Others Attending:

Jerry Rackliffe, Edgar Torbert (secretary)

The minutes of August 15 were approved as distributed.

FY99 Semester Credit Hour Projections

Dr. Henry distributed FY99 semester credit hour projections from the five colleges which would be changing to the semester calendar. Dr. Deitz commented on the difficulty of making these projections and the different approaches to projection taken by the deans. Dr. de Castro pointed out the projections did not reflect a drop in enrollment as had been recorded at other institutions changing from quarter to semester calendars. Dr. Henry stated GSU was counting on growth in traditional freshman enrollments to offset this effect. Dr. Marvin indicated the College of Law had suffered a serious drop in enrollment in the first summer session after semester conversion. Dr. Henry added the same observation had been made at the USGa chief academic officers meeting. He also noted the potential impact on summer income for faculty.

Dr. de Castro questioned the availability of rooms in the GSU Village for freshmen in FY99 given the high percentage of rooms already taken by FY98 freshmen. Dr. Henry indicated rooms would be reserved for FY99 freshmen and returning students would face an early deadline for FY99 room deposits. He added the requirement for GSU athletes to live in GSU Village might be lifted in order to free up additional rooms. Dr. Henry noted other problems with the large number of FY98 freshmen, in particular unmet demand for core courses such as English, mathematics and history, and the increase in Learning Support Program students in spite of plans to move toward the Fall 2001 admission criteria.

Mr. Rackliffe distributed a table of fall quarter credit hours by course level for FY93-98. He pointed out the large increase in freshman course credit hours for FY98 over FY97 and the reversal of the FY96 to FY97 drop in remedial course credit hours. Dr. Torbert observed the stable junior and senior course credit hours suggested the predicted rush to complete degree programs prior to semester conversion had not yet occurred.

Mr. Rackliffe noted the impact of plateau rather than per-credit-hour tuition charges had not been factored into the credit hour projections. He also noted the impact on the cost side of reducing teaching loads from 15 to 9 credit hours rather than 10 credit hours as would result from a straight 2/3 conversion. Dr. Henry stated the goal to produce the same number of credit hours with the same number of faculty. Dr. de Castro questioned how this could be done. Dr. Henry responded a
number of departments have flexibility resulting from faculty not presently teaching.

Mr. Rackliffe commented on the value of the contingency fund as a cushion given the uncertainties of semester enrollments. Dr. Deitz stated the colleges might need contingency funds in FY99 to deal with budgetary surprises arising from semester conversion, and for this reason recommended the contingency fund not be administered in the manner of FY98. Dr. Henry responded FY98 contingency funds might still be used this way, especially to address serious problems of unmet demand.

Dr. Deitz suggested the FY99 projections be shaped to show a 5% increase overall. Dr. de Castro asked for clarification of the impact on state appropriations of projecting increased internal revenues. Mr. Rackliffe explained the state appropriation trade-off and noted under current practice, mid-year adjustments to reflect actual enrollments did not penalize the institution. Dr. Henry mentioned he was serving on a USGa committee to review tuition schemes, and early discussion suggested per-credit-hour tuition charges might resurface. **Mr. Rackliffe recommended a flat-line, semester-credit-hour projection for budgetary purposes. Dr. Deitz recommended this be invoked with the 1997 calendar year as the baseline, namely fall 1997, winter 1997, spring 1997, and summer 1997. It was agreed to recommend this credit hour projection method.**

Dr. Arrington inquired about the downward trend in fall quarter senior course credit hours from FY93 to FY98. Dr. Henry responded no explanation was available except for the on-going shift in relative numbers of students classified as juniors and seniors. He indicated this would continue to develop as the student body became more traditional.

**FY99 Redirection Strategies**

Dr. Henry distributed summary information from the USGa on proposed FY99 redirection. He pointed out individual institutions were slated to bear the brunt of overall USGa redirection, whereas the system had borne a large portion centrally in previous years. Dr. Henry stated GSU would face redirection of $7.165M of which $2.866M would actually be returned to the USGa for reallocation across the system and $4.299M would be internal. He noted these amounts were respectively 3.64%, 1.46%, and 2.18% of the university FC10 budget.

Dr. Henry pointed out the university FC10 budget had increased by 18.8% from FY96 in spite of two years of redirection. He noted this increase was largely due to 6% annual raises. Dr. Henry added that administrative budgets had increased by 13.1%, and academic budgets had increased by 23.0%.

Dr. Henry reminded practice had been to generate $1M of actual internal redirection to strategic goals and priorities. He indicated 2% redirection targets would produce both $2.866M for return to the USGa and $1.07M for actual internal redirection. This would leave $3.229M to be identified on paper as internal redirection.

Dr. Deitz expressed concern about actual internal redirection in conjunction with uncertainties of semester conversion. He commented this would be aggravated by USGa redirection to specific targets. Dr. de Castro reiterated these points, and asked about budget flexibility in administrative areas. Dr. Deitz asked for longitudinal data on vice presidential area and college budgets. Dr. Henry stated he was preparing such data for the last three years. Dr. de Castro suggested the data be tabulated by personnel and non-personal services.
Dr. Marvin reiterated concern about loss of summer pay for faculty as a result of smaller summer enrollments and asked about offsetting provisions for summer research funds. Dr. Henry observed GSU was unlike most institutions which have a separate operating budget for the summer, and that at other institutions the summer was a "cash cow". Drs. Deitz and Gaines stated summers were more heavily enrolled in their colleges than the other colleges, and Dr. Deitz predicted the six-week session would be very popular with public school teachers. Dr. Marvin qualified his concern as primarily for Arts & Sciences and Business Administration. Dr. de Castro commented the shift to a more traditional student body would have an impact on summer enrollments with those students more likely to take summers off. He suggested a counter measure of giving preference for dormitory rooms in the fall to students who enroll in the summer.

Action Plan/University Strategic Plan Linkage to FY98 Budget Allocations
Dr. Henry reintroduced the document "Action Plan for Strategic Plan, 1997 Linkage to Budget Allocations for FY98" and requested FACP endorsement for its release as a university document. Dr. de Castro commented on the effectiveness of the document in presentations to Regents and others. Dr. Deitz made a motion to endorse the above document. Dr. Gaines seconded the motion. The motion passed.

Other Discussion
Dr. Deitz urged vice presidents and deans to keep track of budgetary actions already taken or planned which could count toward university redirection targets. He noted the move of Human Resource Development from Education to Policy Studies as an example.

Mr. Rackliffe distributed "Budget Guidelines for Fiscal Year 1999" and "Statement of Projected Revenues and Expenditures for FY98 As of August 31, 1997". He pointed out Cineon rent had been covered by the FY97 contingency fund, but had not been included among commitments of the FY98 contingency fund discussed at the previous meeting. He noted revenue operations would not begin until next fiscal year. Dr. Deitz made a motion to recommend adding Cineon rent to the FY98 contingency fund list. Dr. Arrington seconded the motion. The motion passed. Mr. Rackliffe reported no progress in resolving the Georgia Research Alliance trans-year funding issues discussed at the previous meeting.

Dr. Deitz asked about intentions for the extra revenue realized by filling GSU Village. Dr. Henry suggested a portion could be used to install computer connections in the students' rooms as originally planned. He added the USGa still had not delivered $500K due from ACOG which would also be needed for this project. Dr. Deitz suggested wireless connections might be less expensive and as effective as hardwired connections.

Prepared by Edgar Torbert
Approved October 10, 1997