Minutes of September 11 were approved as distributed.

**FY2000 Budget Guidelines**

Draft FY2000 budget guidelines were distributed by Mr. Rackliffe prior to the meeting. Mr. Rackliffe pointed out minor changes from the FY1999 budget guidelines. Dr. Henry asked if the dates on the FACP activities calendar were real. Mr. Rackliffe replied the only two real dates were October 30 (Requests for Increase in Fees/New Fees Due to FACP) and April 1 (President's New Funding Allocation).

Dr. Deitz requested the October 30 item be restated as Requests for Change in Fees/New Fees.

Dr. de Castro questioned the meaning of the January 8 item, Preliminary Redirection Requests Due from VPs and Deans. Dr. Henry suggested changing the January 8 item to Preliminary Redirection Plans Due from VPs and Deans.

Dr. de Castro questioned the sequencing of the March 19 and March 27 items, FACP Meeting-Complete New Funding Recommendations and Preliminary Allocation from the Board of Regents. Dr. Derby suggested the March 19 item be changed to FACP Meeting-Complete Preliminary New Funding Recommendations.

Dr. de Castro requested the April 2 item be amended to include Presidential Allocation Discussion With the President.

Dr. Derby suggested the section, II Budget Methodology and Policy, A. Background, be amended to include a statement about input from the University Senate Budget Committee.

Dr. Derby called attention to name change from Vice President for Student Life and Enrollment Services to Vice President for Student Services (page 7) and to change of President of the Student Government Association from John Lampl to Tamika Lamback (page 28).

Dr. Decatur expressed desire to have discussion of FY2000 pay plan prior to January 22. Dr. Crimmins suggested University Senate Budget Committee discussion of the pay plan as well. Dr. de Castro commented that broader discussion was needed. Dr. Henry responded that FACP was the appropriate committee for this discussion because of the complexities of the pay plan and its related budgetary issues.
Dr. de Castro made a motion to accept the FY2000 Budget Guidelines with the changes noted above. Dr. Arrington seconded the motion. The motion passed.

Dr. Decatur asked if the spreadsheet forms on pages 17-18 and 30 would provide sufficient information for making decisions about requests for changes/new fees and auxiliary services. Dr. de Castro commented that standard numbers of fee incidents were needed. Dr. Henry responded that Mr. Rackliffe would provide this information.

**Projected Student Headcounts for Fee Incidents**

Dr. Deitz requested discussion later of the fee structure for part-time and graduate students.

Mr. Rackliffe distributed a table, "Analysis of Headcount Change, Fiscal Years 1997-1999", which showed term-to-term changes in headcount as attributed to new freshmen, transfers/other new students, graduations, and classification transitions/attrition. Mr. Rackliffe explained the spring 1999 projection of 21,393 was based on the combined outcome of winter 1998 and spring 1998 relative to fall 1997 headcounts. Dr. Henry suggested, as a starting point for discussion, headcount projections of 12,000 for summer 1999, 23,300 for fall 1999, and 21,700 for spring 2000.

Dr. de Castro suggested a survey of students to ascertain their intentions for summer 1999. Dr. Jacobs commented that many prospective summer students may not be enrolled during the regular academic year so that they would missed by a survey of current students. Dr. Henry added that in prior years, up to 8,000 summer students had been from other institutions, teachers, and others not enrolled in the regular academic year. He further noted that while use of summer 1999 as a "catch-up" term for students taking fewer than 15 hours in the fall and spring semesters would be promoted, this had not been the experience at other institutions undergoing semester conversion. Dr. Jacobs suggested a letter to such students explaining how far behind they would fall if they skipped summer school.

Dr. de Castro cautioned against encouraging fee increases to make up a projected drop in headcount. Dr. Decatur reacted that if headcounts are down then program costs should be down as well. Dr. Deitz added that a directive to this effect was needed. Dr. Decatur noted that in the case of facilities fees which produced revenue for lease payments, obligations must be met regardless of enrollments.

Dr. Henry urged a conservative approach for building fee budgets. Dr. Derby observed that if efforts to boost spring 1999 enrollments were successful, then summer 1999 projections could be adjusted accordingly. Dr. Decatur added that student activity fee and auxiliary services, with the exception of athletics, had more flexibility than FC10 budgets because of fund balances. Dr. Harris reiterated the suggestion to proceed conservatively, and commended further analysis of headcount projections from bottom-up rather than as aggregate.

Dr. Henry asked about collection of fees for May-mester. Dr. Derby recommended against collecting fees for students enrolled only in May-mester and not summer school. Dr. Decatur noted that May-mester from a tuition standpoint would have to be a self-supporting operation.
Dr. Henry suggested on the basis of this discussion and in consideration of the continuation of the small 1998 freshman class and the known higher graduation numbers that headcount projections be made as follows: 12,700 for summer 1999, 23,300 for fall 1999, and 22,000 for spring 2000 for a total of 58,000 for Fiscal Year 2000. It was agreed to proceed with these projections for fee budget purposes. Dr. Harris repeated his call to disaggregate headcounts because of different influences across colleges.

**Strategies for Dealing With FY99 Enrollment/Revenue Shortfall**

Dr. Deitz reported discussions at Deans' Group and recommendations to: (1) reduce the instructional technology budget by another $500K for a total of $1M; (2) reduce the moves and renovations budget of $1.9M by whatever amount of items which cannot be done in FY99 plus loose equipment and any projects affected by timing slippage; and (3) reduce Quality Improvement Funds by $230K. Dr. Crimmins urged that the QIF process not be interrupted due to possible availability of those funds later in the year. Dr. Henry cautioned that the moves and renovations budget situation was clouded by unknown costs of completing the Wachovia project.

Dr. Decatur reported University Senate Planning and Development Committee discussion of moves and renovations, and the dependency on completion of the Wachovia project before initiating the final phase of the Psychology project in Urban Life. He noted recommended cuts in the signage project for FY99 and postponement of the Sparks Hall restroom upgrades. He added that it was anticipated the Wachovia project would be over-budget, and reminded that Georgia State facilities planning personnel had not participated in the project cost estimations. He explained the $8M estimate had not taken into account technology requirements. Dr. de Castro suggested the School of Policy Studies could contribute funds from its indirect cost recoveries for the Russia project. Dr. Deitz countered that the same approach could be applied to the Psychology project from the departmental share of indirect costs.

Dr. Deitz questioned the cost of the Wachovia project versus the College of Education and College of Business projects. Dr. Decatur replied that the unlike the other projects, the Wachovia project required a complete gutting of the building. Dr. Crimmins raised the issue of technology choices in the Wachovia building. Dr. Deitz emphasized the Deans' Group did not want to gut projects, just delay them for FY99 and reinstate if the colleges were successful in boosting enrollments.

Dr. de Castro called attention to the $500K required from the end-of-year sweep for library acquisitions. Dr. Henry introduced a review of the contingency fund projections prepared by Mr. Rackliffe. Mr. Rackliffe distributed tables as follows: 1) "Analysis of Indirect Cost Recoveries, Fiscal Years 1997-1999" showing a source of $350K to apply to the FY99 revenue shortfall; (2) "Schedule of Library Acquisitions, Fiscal Years 1994-1999"; (3) "Schedule of Contingency Fund Sources, Fiscal Years 1999 and 2000" showing a source of $196K to apply to the FY99 revenue shortfall; and (4) "Review of Budget Considerations, Fiscal Years 1999-2000" showing sources of $1.6M to cover a shortfall of $1.3M.

Dr. Henry advised that the contingency fund projections, if realized, would permit reinstatement of the QIF program at full funding. He added that any moves and renovations budgetary adjustments should be postponed until the Wachovia cost figures...
were known. Dr. Deitz urged that the signage adjustments be treated likewise. Ms. Lamback stated the interest of the Student Government Association in assisting with the signage project. Dr. Deitz commended the SGA for this spirit of cooperation. Dr. Henry reiterated that the proposal to meet the FY99 shortfall would protect operating budgets of the colleges and vice presidential areas. Dr. Crimmins commented that the end-of-year sweep might prove more lucrative if units proceeded conservatively because of heightened concern about the enrollment situation.

Dr. de Castro expressed concern about anxiety across the university about staff layoffs, etc. Dr. Henry responded that while the FY99 situation looked good, there were more challenging shortfalls to be met for FY00, and that an explanation had been presented at the University Senate meeting. Ms. Whitcomb pointed out that very few staff were present at the University Senate meeting.

Dr. de Castro asked again about the possibility of a survey of students concerning summer school. Dr. Henry indicated this would be referred to Mike Moore.

Ms. Whitcomb asked about a marketing plan for the May-mester. Dr. Henry responded that there would be an aggressive marketing effort, but the offerings for May-mester had not yet been established.

Prepared by Edgar Torbert
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Please send questions or comments to Mary Nell Stone