Minutes of November 20, 1998

Members Attending: Cleon Arrington, John de Castro, Bill Decatur, Chuck Derby, Sid Harris, Ron Henry (Chair), Timeka Lamback, Carol Whitcomb

Members Absent: Sam Deitz, Fred Jacobs

Others Attending: Lisa Beck, Judy Bryant, Tim Crimmins, John Hartwell, Rich Heller, Fenwick Huss (for Dr. Jacobs), Kurt Keppler, Jerry Rackliffe, Jim Scott, Edgar Torbert, Andrea Trinklein

Minutes of November 6 were approved as distributed.

Differential Mandatory Fees for Full-time vs Part-time Students

Mr. Rackliffe distributed an Alternative Mandatory Student Fee Model comparing FY99 budgeted revenues with FY00 projected revenues for a base fee of $120 plus $12 per credit hour capped at 12 credit hours. He observed the base-plus-hourly-fee model would produce approximately the same annual revenue. Mr. Rackliffe stated a $10 increase in the base would increase the annual revenue by $545K and a $1 increase in the hourly rate would increase the annual revenue by $480K. By comparison, he pointed out the total increase of projected revenue for all fee change requests for FY00 was $709K.

Dr. Henry noted the difficulty was the increase of $36 for full-time students from the current $228 to $264 and suggested a phase-in to lessen the impact. Dr. Crimmins commented that graduate students would be less affected since most take 6 or 9 credit hours. Dr. de Castro reported endorsement by the University Senate Committee on Budget of the base-plus-hourly-fee model, but he also recommended a phase-in because of the impact on full-time students. Mr. Rackliffe and Dr. Henry pointed out the $36 increase could be viewed more favorably as its percentage of total tuition and fees.

Dr. Keppler cautioned that the model as presented showed students taking less than 3 credit hours paying the mandatory fees whereas now they do not pay these fees.

Ms. Lamback expressed concern about the increase for full-time students and stated the change would counter to efforts to get students to take more credit hours. Dr. Derby reminded that with the tuition plateau, the fifth course would be tuition free in Fall Semester 1999, which would more than offset the increase in mandatory fees for students taking 15 or more credit hours. Dr. Scott acknowledged the offsetting effect, but observed it would be difficult to explain to students. He added that it was essential to allow for increasing revenues in order to cover staff salary and fringe benefit increases and facility costs.

Dr. Crimmins asked about practices at other University System institutions regarding fixed or hourly fees or combinations thereof. Dr. Decatur responded that the other institutions had hourly fees without a base fee. Dr. Scott pointed out that Georgia State was different from the other institutions in terms of the percentage of part-time students. Dr. Henry stated the current percentage of part-time students was 48%. Dr. Crimmins recommended the tactic should be to emphasize the advantage to part-time students and to explain the offsetting tuition plateau benefit to full-time students.

Dr. de Castro suggested a look at fee revenues without a 12-credit hour plateau as well as consideration of no fee waivers for students taking less than 3 credit hours. Dr. Harris spoke in favor of eliminating the waivers. Dr. Keppler asked about waivers for student teachers outside the metropolitan area. Dr. Decatur responded that the 30-mile rule for waivers was a Board of Regents policy.

Mr. Heller questioned adoption of the base-plus-hourly-fee model if it had a negative impact on Atwo-thirds@ in order to have a positive impact on Aone-third@. Mr. Rackliffe replied that most undergraduates
would not have a concern with the model whereas under the current flat fee, graduate students did care about paying $400 in tuition and the disproportionate $200 in mandatory fees.

Dr. Crimmins reiterated his point regarding the tuition plateau price break for full-time students. He added that part-time students would not benefit from the tuition plateau so that the mandatory fee price break would be something for them as well. Dr. Henry explained that part-time students in fact would pay higher per credit hour tuition as a result of the second-phase implementation of the tuition plateau (divisor of full-time tuition changes in FY00 from 13.5 to 12).

Dr. de Castro suggested a 3-year phase-in starting with $190 base and $5 hourly fees. Dr. Decatur suggested that Mr. Rackliffe and Dr. Torbert look at 2- and 3-year phase-ins with allowance for annual fee increases.

Dr. Scott called for opportunities for students to comment on the proposed change in the fee structure before making a decision. He also called for a check with Student Accounts regarding implementation considerations.

Dr. Crimmins spoke in favor of 1-year implementation rather than a 2- or 3-year phase-in order to take advantage of the offsetting tuition plateau factor in the first year only. Dr. Harris also commended 1-year implementation given enrollment uncertainties.

Dr. Henry asked Ms. Lamback to initiate scheduling of student hearings on the matter after the Thanksgiving break, with Mr. Rackliffe and Dr. Torbert in the meantime to work on the base-plus-hourly-fee models. Dr. de Castro again asked for consideration of a no-plateau model for mandatory fees.

Housing

Dr. Trinklein presented the request from Housing to increase housing fees by $100 per semester. She pointed out specific improvements enabled by the fee increase, including the addition of telephone connections in student bedrooms. She noted student and parent concern about the current arrangement of a telephone connection in the suite kitchen only. Ms. Lamback voiced her support for this plan as a resident assistant and reported SGA support for the plan as well.

Dr. Trinklein indicated funding was available to proceed with computer connections in the student bedrooms. She stated this project would be completed in March 1999.

Dr. de Castro asked about the low projected summertime occupancy and any plans to build it up with special programs. Dr. Henry responded that special programs should not be part of the base budget. Dr. Trinklein added that conference business was under development. Dr. de Castro reminded that Dr. Deitz had encouraged exploration of summertime programs for high school students to increase occupancy and aid in recruitment of students.

Dr. Decatur asked how revenue shortfalls for FY99 were being addressed. Dr. Trinklein cited delays in filling vacant positions, reduction in number of MARTA cards purchased for residents, reduction of contract services, and use of College Work-Study student employees.

Dr. Crimmins asked about prospects for new students in Spring 1999. Dr. Trinklein responded that 120 new residents had registered thus far, but that the net effect with loss of current residents between semesters was unknown.

Dr. Decatur asked about the shift from university supplies and services to contracts in the proposed budget. Dr. Trinklein responded that the contracts were for elevator, boiler and Simplex maintenance, and uniforms.

Dr. Harris made a motion to recommend the $100 per semester increase as requested. Dr. Derby seconded the motion. The motion passed. Dr. Decatur commented that the approval of the fee on the basis of the
proposed budget was in effect approval of the budget for Student Housing as well. Dr. Henry stated this was the case so that further discussion by FACP during the FY00 budget discussions would not be necessary.

**Student Center**

Mr. Heller presented the request from the Student Center to increase the facility fee by $2.75. He stated the increase would provide for the staff raise pool, offset the rounding down of the FY99 fee by the Board of Regents, and build the equipment reserve.

Dr. de Castro asked about the blank entry for the housing loan payback. Mr. Heller responded that the paybacks would begin eventually when Housing was able to pay.

Dr. de Castro asked about the absence of rentals as a revenue source. Mr. Heller replied that rentals were handled as departmental sales and services, and not reflected in the budget as presented. He indicated rental revenues were used to pay student workers and there was no profit. Dr. Huss urged that the budget be revised to show all revenues and expenses. Dr. de Castro questioned the rental operation if not profitable. Mr. Heller explained that the student workers paid by rentals also served the general operation of the facility. Mr. Rackliffe recommended a breakdown of variable and fixed costs in this regard.

Dr. Crimmins asked if enrollment recovery would result in a windfall. Mr. Heller replied this was taken into account somewhat in rounding the budget figures.

Dr. Decatur questioned the 4% inflationary adjustment for OMP. Mr. Heller responded that the increase was for staff salaries only. Dr. Decatur reiterated that the university does not receive new funds for inflationary adjustments in general. He added that the proposed increase of 9% would be viewed as too high by the Board of Regents. Mr. Heller replied that the proposal should be viewed in two components, operations and reserve, as set forth in the business plan for the facility. Mr. Rackliffe commented that the proposed 9% increase was also related to offsetting the 6% drop in student headcount. Dr. Decatur reacted that the rest of the university was not being held harmless for the enrollment shortfall.

Dr. Crimmins communicated a message from Dr. Deitz that he opposed any mandatory fee increases for FY00.

Dr. Henry noted the Board of Regents would likely limit increases to 3% or less. Dr. Decatur recommended that in keeping with such a limit the proposed increases for travel, supplies, and equipment should be deleted and the equipment reserve scaled back. Dr. Henry also cautioned that the Student Center should not assume exemption from redirection and that the possible change in the fee structure was another factor to be considered.

Dr. Harris asked about plans to maximize rental revenues. Mr. Heller replied that it was necessary to balance priorities for university use with rental opportunities. Dr. Scott noted concern among students about availability for student programs and activities since they pay the facility fee. Dr. Huss asked about percentage of student versus outside use. Mr. Heller indicated this information would be provided.

**Student Activity Fee**

Dr. Kepler presented the request to increase the Student Activity Fee by $2 for student activities and by $3 for recreation. He stated the increase in the Student Activity Fee would only partially offset increases in fixed costs. Dr. Bryant noted the Board of Regents had directed use of the recreation facility fee be restricted to facility costs. She suggested the Student Activity Fee fund balance might be a source to cover the shortfall.

Dr. de Castro reiterated that all units should be held accountable for the enrollment decrease. Mr. Rackliffe noted the pro forma was based on the headcount projections adopted by FACP. Dr. Crimmins commented that a rebound in enrollment should be taken into account in future fee increase decisions, if increases were
Dr. Keppler reminded that the Student Activity Fee fund balance had always been reserved for emergencies. He added that the current balance was approximately $700K. Mr. Rackliffe cautioned that the fund balance might be needed to offset the loss of summer revenues if the new fee structure could not be implemented until Fall Semester 1999.

Dr. Crimmins again communicated a message from Dr. Deitz that he opposed any mandatory fee increases for FY00.

Dr. Decatur asked if the proposed fee increase was keyed to any programming initiatives. Dr. Keppler replied that there would have to be program reductions to meet the proposed budget.

Dr. Henry reiterated exemption from redirection should not be assumed. Dr. de Castro asked about changes in the personnel budget between FY98 and FY99. Dr. Keppler responded that staff positions were redirected from FC10 to the Student Activity Fee in the amount of $400K plus fringe benefits. Ms. Lamback expressed concern about the loss of Student Activity Fee funds for student organizations in order to cover the redirected staff positions. Dr. Crimmins suggested the base fee could be adjusted to reduce this effect.

Dr. Derby asked about determination of fees for Maymester. Dr. Henry and Mr. Rackliffe responded that the Board of Regents had not yet decided how Maymester would be accounted.

Athletics

Mr. Hartwell presented on behalf of Mr. Moss a request to increase the Athletics fee by $6.91. He noted needs for operating funds reduced due to the lower headcount, computer upgrades, scholarships, softball team expenses previously personally paid by Mr. Heck, and the drug testing program.

Dr. de Castro asked for a pro forma for Athletics. Mr. Rackliffe replied this was now under development.

Ms. Lamback asked about discussion of the proposed fee increase in the Senate Athletics Committee. Mr. Hartwell responded that he was unaware of such discussions.

Dr. Derby asked about the 5% increase in scholarship expenditures. Dr. Henry answered that this would cover the anticipated hike in tuition plus housing.

Mr. Hartwell noted many students seemed unaware that tickets to games were free for students. Dr. Henry added that student discussion of the Athletics fee and its uses was important. Dr. de Castro reiterated the need for a pro forma before making a decision about the fee. Mr. Hartwell commented that the Athletics program was in a Aspend money to make money@ phase of its development. He noted heightened interest in the men=s basketball program as evidenced by inquiries about the Georgetown game.

Prepared by Edgar Torbert

Approved December 11, 1998