FISCAL ADVISORY COMMITTEE TO THE PRESIDENT
Minutes of November 6, 1998

Members Attending: John de Castro, Bill Decatur, Chuck Derby, Ron Henry (Chair), Fred Jacobs, Timeka Lamback, Carol Whitcomb

Members Absent: Cleon Arrington, Sam Deitz, Sid Harris

Others Attending: Ahmed Abdelal (for Dr. Deitz), Tim Crimmins, Kurt Keppler, Jerry Rackliffe, Jim Scott, Bill Thomas, Edgar Torbert, JoAnn Worthington

Minutes of October 9 were approved as distributed.

Fees
Dr. Henry invited discussion of differential fees for part-time students.

Dr. Keppler distributed a memorandum on the topic of fee waivers for students taking only three credit hours. The memorandum stated the Senate Student Life and Development Committee, the Student Fee Committee, and an ad hoc staff group had discussed the fee waiver option, and all three groups had recommended continuation of the current flat fee for all students. Dr. Keppler pointed out access to student fee supported services and programs were the same for all students, and that in many cases the fees are not paid by the students, rather by HOPE grants or companies employing the students. He added that increasing fees for students taking more than three credit hours to make up the lost revenues from waivers would punish those students.

Dr. Thomas commented that the Senate Student Life and Development Committee in its recommendation against the fee waivers had also considered cuts already absorbed by student fee supported programs in FY99 and the possibility that many students taking 12-15 credit hours had less time than part-time students to take advantage of the facilities and programs.

Dr. Abdelal reacted that the concern in the Deans' Group was that the flat fee was not in the interest of regaining enrollments, especially in the College of Business and the College of Education. He noted the current fee structure was not competitive with other metro institutions such as Kennesaw State which vie for the same cadre of part-time students, especially those who are employed full-time. He added that the resulting loss of part-time students affected tuition revenues now and workload-based allocations in the future. He cautioned that it was also important not to encourage students to take fewer credit hours. He noted that the memorandum distributed by Dr. Keppler did not take into account the potential for increasing the number of students paying fees, if fees were competitive, which would offset revenue losses to some extent. Dr. Thomas assured that the Senate Student Life and Development Committee was also concerned about enrollment issues.

Dr. Jacobs raised questions of whether demand was price elastic and whether part-time students feel they are being treated unfairly under the current flat fee. He stated that College of Business graduate students with whom he talked felt the flat fee was unfair, and that the flat
fee was adversely affecting enrollments in the College of Business.

Dr. Derby inserted that the fee structures for Maymester and minimesters should also be discussed.

Dr. Decatur raised the question of the effect on student life if revenues were reduced. He pointed out the difficulty of serving the interests of both part-time students who were the traditional type of student at GSU and full-time, straight-out-of-high-school students who were the new type of student here. Dr. de Castro responded effects on student life due to lost revenue would have little or no impact on older, part-time students. He added that rebounding enrollments would help offset any revenue losses due to lower fees for part-time students. He suggested a phase-in approach to dampen the immediate impact on student life and to allow enrollment build-ups to take hold. He emphasized the fairness issue in determining what students should pay.

Dr. Decatur questioned whether access to facilities and programs should be limited for students not paying the full fee. Dr. de Castro observed that abuses would be rare and would not justify the added cost of monitoring access. Dr. Decatur reacted that the new Recreation Center would be a very attractive facility to older, part-time students. Ms. Lamback voiced greater student concern about full-time students not using facilities supported by fees. Ms. Worthington observed the objective should be to encourage the entire university community to participate. She added that most students do not know what is supported by their fees.

Dr. Crimmins commented that the all-or-nothing fee waiver approach would not serve the university well. He also suggested charging user fees (e.g., Recreation Center) for students paying reduced fees.

Dr. Torbert suggested a base fee with an hourly fee as well, to reduce the potential of a clear price break encouraging students to take fewer courses. He noted the base fee could be adjusted annually to implement the phase-in suggested by Dr. de Castro.

Dr. Decatur pointed out that any graduated fee structure would reduce total fee revenues unless fees at the top (i.e., full-time end) of the structure were raised. He recommended concurrent decisions regarding the level of services to supported by fees. Dr. Scott replied that a drop in fee revenues would impact services, and pointed out 20-year building cost commitments for the Student Center and Recreation Center, which must be met. He emphasized the importance of providing quality student life programs for the rising number of freshmen and other full-time undergraduate students.

Dr. de Castro acknowledged the need to be customer-centered, and he recommended a survey of students to determine what services and programs they want. Dr. Keppler voiced support for the survey. Dr. Thomas pointed out a survey of current students would be helpful, but would not indicate what services and programs were desired by potential students not now enrolled.

Dr. Abdelal reiterated the dual concerns of having a rich student life for freshmen and other traditional-age undergraduates and also serving the non-traditional part-time student population, especially in the College of Business and the College of Education, which historically has been the clientele. He stated his preference for a differential fee over a fee waiver.
Ms. Worthington restated concern about students dropping from two courses to one course if a fee waiver for three-credit hour students were implemented. Dr. Henry added that the pattern of students who took two quarter courses now taking only two semester courses was already a problem, and that a price break at six credit hours would negate efforts to get those students to take three semester courses.

Dr. Decatur summarized that in order to have basics of student life we must charge fees to all, but we need to find a way to protect and enrich student life and be fair to all students. He expressed support for a phased-in approach. Dr. Henry added that other institutions in the University System use the pro rata approach.

Dr. Derby reiterated the potential for increasing the number of students, if a competitive fee structure were implemented.

Dr. Jacobs stated that the College of Business had pursued a strategic plan to develop a faculty for distinctive graduate programs and that the issue of fee structures should not override consideration of that mission. Dr. Crimmins responded that mission as a research university had both undergraduate and graduate components, and that distinctiveness of academic programs was also reflected in raising undergraduate admission standards. Dr. Abdelal agreed that there was no contradiction between enriched student life for full-time undergraduate students and the role of a university with outstanding professional and research programs. He observed that both components need to be addressed, and not set at odds. He urged consideration of another proposal for fee structure like the base fee-and-hourly fee combination suggested by Dr. Torbert.

Dr. Decatur again cautioned that debt service items covered by fees must be protected. Dr. Henry responded that these could be taken into account in setting the base fee.

Dr. Henry proposed appointment of a subcommittee to draft a proposal for a base fee-and-hourly fee combination for student fees and a request to Institutional Research for a survey of student opinion. Dr. Crimmins noted this survey could be included in a registration survey already set up by Institutional Research and Enrollment Services. Dr. Decatur cited the need to make decisions shortly because the Board of Regents deadline for fee change proposals had been moved up to mid-December. It was agreed to proceed with the subcommittee (to be appointed by Dr. Henry and to complete its work in two weeks) and the Institutional Research survey.

Contingency Funds
Mr. Rackliffe distributed information concerning fringe benefit savings year-to-date and projected. He pointed out savings were on target with prior years, so that approximately $3 million would be realized overall. He emphasized that the contingency fund in FY99 would be almost entirely from fringe benefit savings, because of shortfalls in tuition revenues and prior commitment of the university share of unallocated indirect costs to cover that shortfall. He requested that the fringe benefit savings in-hand through October 31 be applied to Project Spectrum costs ($430K) and OMP costs for CHARA ($100K). He pointed out that the other projected uses of contingency and end-of-year funds could wait, including Cineon rent, library acquisitions, and network infrastructure. **Dr. Decatur made a motion to recommend to the President proceeding with the Spectrum and CHARA expenditures of fringe benefit savings as proposed.** Dr. Abdelal seconded the motion. **The motion passed.**
Athletics Fee
Dr. Decatur distributed a proposal from Mr. Moss for increasing the athletics fee. Dr. de Castro asked for an update on the budget situation in Athletics at a future meeting.

Projections for Spring Semester
Dr. Henry reported that applications for admission in spring semester were running well behind those for the combined winter and spring quarters of last year, and this coupled with higher numbers of graduates in December would make even the projected 13% loss in credit hours between fall and spring semesters difficult to meet. He emphasized that efforts to recruit transfers, to strengthen academic advisement, and to utilize mini-mesters would continue full-speed to get better results than the numbers were now showing. He added that another area of concern was the amount of coursework being required of students in three-hour semester courses versus five-hour quarter courses. He stated that the overall picture pointed to a very tight budget situation and that a slow-down in filling staff vacancies would be in order.

Dr. de Castro asked about the drop-off in transfers. Dr. Henry replied that Dr. Babey reported the same trend at other University System institutions, that he had found the same to be happening at Urban 13 institutions nationwide, and that the good economy was a major factor in fewer part-time students. He added that follow-up with Toledo and Cleveland State had revealed that their semester conversions had resulted in credit hour losses even though their courses went from only four quarter credit hours to three semester credit hours. Other budgetary impacts were noted for higher postage rates, Y2K costs, legal fees for land acquisition for the new classroom building, and debt service for GSU Village.

Dr. Abdelal questioned whether all was being done that could be to complete and process applications from transfer students for spring semester. He stated there were approximately 1,200 applications pending and only two staff to attend to these.

Dr. Decatur noted the need for rules regarding a slow-down in hiring. He urged flexibility for vice presidents and deans in implementing such a policy. He pointed out the university was experiencing heavy turnover in staff positions. Dr. de Castro responded that the increased turnover would result in higher savings. Dr. Decatur cautioned that these savings were in fringe benefits only unless salary savings were escrowed.

Prepared by Edgar Torbert
Approved November 20, 1998