Minutes of December 11, 1998

Members Attending: Cleon Arrington, John de Castro, Bill Decatur, Sam Deitz, Sid Harris, Ron Henry (Chair), Fred Jacobs, Timeka Lamback, Carol Whitcomb

Members Absent: Chuck Derby

Others Attending: Lisa Beck, Tim Crimmins, Edith Manns, Jerry Rackliffe, Edgar Torbert

Minutes of November 20 were approved as distributed.

Applied Music Fee

Dr. Henry asked for consideration of the request from Drs. Haberlen and Abdelal to eliminate the School of Music applied music fee (currently $75 per half hour) effective FY99.

Mr. Rackliffe explained the applied music fee has annual revenue of about $60K which is treated as part of the general fund (i.e., internal revenue) allocated university wide and not passed on directly to the School of Music.

Dr. Deitz asked if this internal revenue was counted against Board of Regents allocation of state funds to the university. Mr. Rackliffe replied this was the case.

Dr. de Castro questioned the fairness of charging the applied music fee to music students if the revenue was not returned to the School of Music. Dr. Henry responded that the studio instruction for which they were paying the applied music fee was paid out the general fund to which the applied music fee revenue flowed. He added that HOPE scholarships do not cover the applied music fee since it is not a universal fee.

Dr. Jacobs asked about the impact if the applied music fee were not dropped. Dr. Henry replied that it would make the School of Music less competitive for top music students versus other institutions such as the University of Georgia and the State University of West Georgia.

Dr. Crimmins asked about credit hours lost to the University of Georgia because of the applied music fee. Dr. Henry responded this effect probably could not be demonstrated, and the impact was more in quality of students attracted to the program.

Dr. Deitz suggested the $60K reduction in general fund revenue should also be addressed as a $60K budget request from the College of Arts and Sciences to continue the current funding level for the School of Music. Mr. Rackliffe pointed out that the College of Arts and Sciences had at one time received the $60K over and above its original budget by means of an allocation of contingency funds, and that this arrangement had been phased out over a three-year period, with the college absorbing the no longer, contingency-funded program costs.

Dr. Deitz made a motion to recommend elimination of the School of Music applied music fee as requested. Dr. Arrington seconded the motion.

Dr. Decatur pointed out the $60K reduction in general fund revenue would necessitate an equal reduction in spending authority somewhere in the university, and asked for concurrent consideration of this issue. Dr. Harris asked if enrollment would likely increase as a result of elimination of the fee. Dr. Henry indicated the effect would primarily be in quality of students rather than quantity.

Dr. de Castro suggested postponement of consideration until further discussion with the School of Music and/or Dr. Abdelal. It was agreed to proceed in this manner.
Physical Therapy Good Faith Deposit

Dr. Henry asked for consideration of the request from Dr. Kelley to increase the good faith deposit for students accepted into the physical therapy program from $100 to $300.

Dr. Decatur made a motion to recommend the increase of the physical therapy good faith deposit as requested. Dr. Harris seconded the motion.

Dr. Henry explained the physical therapy program had been under-subscribed this fall (26 filled spots out of 40) because of accepted students going elsewhere in spite of paying the $100 deposit. Dr. Deitz commented the problem might be addressed by changing the projected number of yields from acceptances. Dr. Crimmins pointed out the physical therapy program was in transition to a master=s level program, and consequently there was no history on which to base yield projections.

Dr. Deitz asked if the good faith deposit was applied to tuition and fees for students who enroll. Dr. Henry replied this was the case.

The motion passed.

Technology Fee

Dr. Henry reported the Board of Regents would entertain proposals for technology fees from institutions not in the original pilot study group allowed to implement such fees. He reminded that a technology fee of $35 per quarter (equivalent to $52.50 per semester) had been recommended by FACP last year and supported by the Student Government Association, but not submitted to the Board of Regents because of a moratorium on proposals from outside the pilot study group. Dr. Henry said this fee proposal would be submitted to the Board of Regents on a Aplace holder@ basis on December 18, but there would be opportunities for FACP to revisit the proposal prior to final submission.

Dr. Crimmins asked if the technology fee as proposed would include laptops for students. Dr. Henry replied this was not in the plan as developed by the Information Systems and Technology Senate Committee, and would require a considerably higher fee. Dr. Crimmins asked about a multi-year plan for the technology fee. Dr. Henry responded this was part of the charge of the ISAT Senate Committee.

Parking and Transportation Fees

Dr. Decatur stated parking and transportation fees should be considered together because of the intertwined nature of those operations.

Dr. Decatur explained a proposed change in the structure of parking fees which would implement tiered charges (i.e., for general lots, premium lots, and premium lot-reserved spaces). He presented the request to increase monthly parking rates from the current $35 for all lots to $40 for general lots, $45 for premium lots, and $50 for premium lot-reserved spaces. Dr. Decatur also presented the request to increase the unlimited in-and-out, student parking fee for AM@ deck from $140 to $160 per semester. He noted the proposal called for no increase in daily parking rates, primarily paid by students.

Dr. Decatur presented the request to increase the transportation fee from $11 to $15. He pointed out the tremendous success of the stadium parking alternative, which had required expansion of the shuttle service to and from the campus. He indicated ridership had increased from 1,000 to 3,000 per day. He also noted initiation of campus shuttle service to and from the GSU Village because of early morning and late evening safety concerns on MARTA. Dr. Decatur stated these services had been added without additional transportation fee revenue, and the shortfall was being covered by the parking fund balance.
Dr. Decatur also called attention to the need to replace the two temporary parking decks, which had been built in 1971 with a life expectancy of 5-10 years. He indicated the parking fund balance was the most feasible source of funds for replacing the decks because of the current state government position on payback bonds. He stated the increases in parking and transportation fees would enable build-up of parking fund balances, after covering shuttle service costs, so that the two decks could be replaced one at a time over the next decade.

Dr. Decatur explained that the Transportation Act for the 21st Century would allow individuals to pay parking and mass transit expenses out of pre-tax dollars so that the net costs for parking under the proposal would be less than current costs.

Dr. Deitz voiced strong objection to the tiered-fee proposal citing opposition of faculty committees to previous proposals of this type. He added that comparison of university parking charges with those of the business sector only was wrong, and that the comparison should also be made with parking for state government employees. Dr. Deitz characterized the proposal as maximizing parking income at the expense of faculty and staff. He urged that Auxiliary Services be considered in total in analyzing fund balances, and that the current approach to parking assignments be viewed as a perk for long-term employees. Dr. Henry responded that replacing the decks and offsetting the transportation deficit were real needs, and that the GSU Village and Rialto were other Auxiliary Services units which did not have positive fund balances.

Dr. Deitz discounted the tax break as a viable argument to faculty and staff for an increase in their parking rates. Ms. Whitcomb agreed the tax break argument would be difficult to sell to staff.

Dr. Harris reiterated the point that expenditures for parking deck replacement and shuttle service are real, and recommended a review of the overall picture of Auxiliary Services to determine which components should be subsidized.

Dr. Henry spoke to the critical need for Auxiliary Services fund balances as reserves, because these are the only cushions for the university in case of budgetary emergencies. Dr. Decatur echoed this point, noting 5% cushions are typical in other systems.

Dr. Crimmins suggested decoupling the proposal to focus on parking deck construction projects. He noted funding options of Auxiliary Services reserves, GSU Foundation, and development authorities. Mr. Rackliffe replied that the problem in any case was the lack of funds in hand.

Dr. Crimmins noted the problem in defining premium parking. He pointed out that under-building parking might not be premium parking for persons whose offices are not in that building and in fact several blocks away.

Dr. Decatur commented on FY99 capital improvements for parking plus AM@ deck expansion piggybacked with the recreation center project. He also noted the track record of Auxiliary Services cross-subsidies. He pointed to the issue of how to define breakeven given the need to have fund balances for replacement and reserves.

Dr. Jacobs noted the linkage between tiered fees and opportunities for faculty and staff to choose where they park. He questioned subsidizing housing. Dr. Henry responded that housing fell short of occupancy goals for FY99. Mr. Rackliffe added that the shortfall was $300K in FY99, but was projected to be eliminated for
FY00. Dr. Harris asked how the FY99 shortfall would be covered. Dr. Henry replied that the Auxiliary Services fund balance would be the source. Dr. Decatur cautioned that the fund balance had ranged from over $1M to a negative number in recent years, with the latter resulting in an audit finding. Dr. Deitz asked what the fund balance would be without the housing and Rialto deficits. Dr. Decatur replied the balance would be in the range of $4.5-5.0M, with most of deficit tied to housing.

Dr. Harris commented that the reserves were too low. Dr. Deitz reiterated that the problem of low reserves should not be borne on the back of parking. Dr. Harris cautioned that if FY00 proved to be close to FY99 in terms of enrollment-related budgetary problems that substantial Auxiliary Services reserves would be essential.

Dr. Decatur stated that the proposed tiered fee structure was developed in consultation with the Parking and Transportation Committee, which included faculty representation. He noted tiered fee structures were common, and cited examples of such at Georgia Tech, Emory, Cincinnati, Central Florida, and Alabama. He added that an alternative would be across-the-board increases.

Dr. Harris commented on the need to address the fiscal situation, but also discomfort with schemes which result in better spaces for higher paid employees. Dr. Henry added that some of the premium-reserved spaces were assigned due to job requirements to go to-and-from campus during the business day; for example, development officers. Dr. de Castro commented this was also the case for faculty such as those supervising student-teachers off-campus.

Dr. Deitz made a motion to recommend that the parking plan as presented not be adopted [there was no second of this motion].

Dr. de Castro suggested that the focus be narrowed to the shuttle service-related deficit since funds for replacing the decks were not needed immediately. He again recommended increasing only the daily rate to meet the deficit. Dr. Decatur reacted that this approach would put the burden entirely on students. Dr. Jacobs cautioned against ignoring the need for a reserve to protect the university. Dr. Deitz reiterated his point that the reserve should be based on the whole of Auxiliary Services. Dr. Jacobs commented on the need to know why some Auxiliary Services make money and others lose money.

Dr. Henry summarized the way to proceed: the Parking and Transportation Committee would look at alternatives for revenue streams; and FACP would look at the whole of Auxiliary Services relative to surpluses and deficits and how to build reserves.

Dr. Decatur responded that five-year plans had been developed last year, but the fee requests were held down because of concern about overall tuition and fee increases.

Dr. Manns stated that she had served on the Parking and Transportation Committee. She noted concern about air quality issues and the desire of the committee to encourage use of MARTA. She added that the committee viewed subsidizing of state employee parking as wrong. Dr. Manns observed that the committee did not want the full burden to fall on students, but was also concerned about effects on lower paid staff. Dr. Henry pointed out that the transportation fee was not only for shuttle service, but also provided for the discounted MARTA cards. He added that increasing the daily rate would be another way to encourage MARTA use. Dr. Decatur stated one objective of the proposed tiered fee structure had been to reduce the impact on students. Dr. Manns suggested that lower paid employees be allowed to park in the remote lot.

Dr. Henry suggested consideration of an extra fee for premium lot-reserved spaces only. Dr. Crimmins asked if these would be name specific. Dr. Henry responded there would be a hunting license approach. Dr. de Castro reiterated the job-related aspects of some spaces. Dr. Decatur noted the Senate Budget Committee discussion had elicited some calls for even higher rates for premium spaces.
Mr. Rackliffe suggested re-figuring the proposal with the $0.25 increase for daily rates and a similar percentage increase for faculty and staff.

The meeting adjourned at 11:55 a.m.

Prepared by Edgar Torbert

Approved: December 22, 1998