Minutes of May 29 were approved as distributed.

**Action Plan-Budget Linkage**


Dr. Jacobs asked about intentions to continue using the four allocation themes: strengthening academic programs, promoting standards for excellence, improving university infrastructure, and developing systematic approaches to administrative decision-making. Dr. Henry responded the themes would continue in keeping with the strategic plan. Dr. Harris suggested percentages be listed as well as dollar amounts in the above document. Dr. Jacobs suggested the document be expanded to include three years of allocations. Dr. Henry replied that a second document would be prepared for that purpose. Dr. de Castro commented on the value of having action plan-budget linkage documents and thanked Dr. Henry for his work on these. Dr. Deitz noted percentages of funds allocated among the themes would vary because the priorities of the allocation themes were unequal and varied from year to year. Dr. Crimmins observed the three-year comparisons would be helpful and recommended FACP look at these. Dr. de Castro cautioned that Board of Regents funding priorities also impacted the allocations. Dr. de Castro made a motion to adopt the document with the addition of the percentage notations. Dr. Deitz seconded the motion. The motion passed.

**Semester Conversion-Enrollment Decline**

Dr. Henry outlined the fall semester enrollment situation and the budgetary consequences for FY99 and FY00. He stated credit hours in the fall semester were 19% short of budgeted enrollment projections and in conjunction with revised projections for spring semester pointed to an $8M revenue shortfall for FY99. He added that extrapolating these enrollments to FY00 and taking into account anticipated redirection of funds back to the University System, the problem in FY00 would be in the range of $9.5-10M. Dr. Henry also noted that the drop in headcount would have serious effects on headcount-based fees such as the student activity and athletic fees.

Dr. Henry noted several reasons for the shortfall in fall semester enrollments, including: (a) 12% drop in the number of seniors probably due to students hurrying to finish quarter system-based programs; (b) 7.5% decline in the number of graduate students again due to students hurrying to finish quarter system-based programs especially master's programs in education and business; (c) the elimination of admission of learning support program students and the raising of admission criteria toward the fall 2001 objectives; (d) students electing to take 12 rather than 15 semester credit hours; (e) the continuing decline in the number of transfer students as also reflected in the
decline of enrollment at Georgia Perimeter (formerly DeKalb) College, the traditional top-feeder institution; and (f) the counter effect of good economic times on enrollments.

Dr. Deitz reported new master's students were taking 2 or 3 courses while returning master's students were generally taking only one course. He urged a push to get students to take one more class, and suggested signs to this effect be posted in every classroom. Dr. Decatur pointed out that students taking 2 courses last year and this year still represented a drop in credit hours from 10 quarter credit hours to 6 semester credit hours. In this regard, Dr. Crimmins noted the number of College of Business Administration graduate students did not drop as did credit hours in that college.

Mr. Lampl stated students were very cautious in moving to the semester system and were not sure of what would happen. He pointed out that extra classes also meant more books to carry around campus, which was a problem for students who had no place to store them between classes. Dr. Deitz responded that other institutions in the University System had done a better job of informing students about semester conversion. Mr. Lampl indicated the postcard reminders to students about registration and full-time course loads were a good idea, but arrived too late. He noted general confusion among students about semester conversion. Dr. Henry reiterated the need for students to meet with advisers. Ms. Martinez indicated many students who registered for only 4 courses in fall semester were already planning to take 5 courses in spring semester.

Dr. de Castro expressed concern about the drop in headcount. He observed that efforts to get students to take one more course would not reach those who had elected not to enroll at all. He urged a focus on increasing headcounts for spring semester. Dr. Henry replied that such efforts would concentrate on transfer and graduate students. Dr. Crimmins added that recruitment efforts could target public school teachers who elected not to enroll in the fall semester because of the demands of simultaneous start-up of public schools and the university. He also recommended required advisement of all students during the fall semester with the involvement of faculty. Dr. Jacobs urged that faculty be asked to talk with their students about semester conversion, full-time course loads, etc. Mr. Lampl expressed concern about the clock schedule change from 4:45 p.m. to 4:30 p.m. start times for many classes and the resulting inconvenience for working students.

Mr. Rackliffe distributed a spreadsheet, "Review of Budget Considerations, Fiscal Years 1999-2000" showing required budget adjustments (reductions) and possible sources (continuing and one-time). He pointed out FY99 adjustments of $4.6M for fall semester tuition shortfall and $3.2M for spring semester tuition shortfall. He pointed out FY00 adjustments of $2M for summer tuition shortfall, $2.4M for fall semester tuition shortfall, $1M for spring semester tuition shortfall, $3.5M for Board of Regents mandated redirection (midpoint of range), and $0.7M for university mandated redirection for the new Alpharetta (formerly North Metro) center. Mr. Rackliffe cited possible sources in FY99 of $1.4M from unallocated tuition plateau revenues, $0.3M from unallocated graduate tuition premium revenues, $0.4M from university share of unallocated indirect cost recoveries, $0.3M from additional university share of indirect cost recoveries, $0.2M from additional interest income, $0.7M from instructional technology funds, $1.5M from student activity fee fund balance flip-flop (one-time), $0.4M from IS&T lease-purchase pre-payment (one-time), and $1.1M from library acquisitions flip-flop (one-time). He cited possible sources in FY00 of $2.8M from unallocated tuition plateau revenues, $0.3M from unallocated graduate tuition premium revenues, $0.4M from university share of unallocated indirect cost recoveries, $0.3M from additional university share of indirect cost recoveries, $0.2M from additional interest income, $0.7M from instructional technology funds, and $0.2M from IS&T lease-purchase pre-payment (one-time).
These sources left uncovered shortfalls of $1.56M in FY99 and $4.86M in FY00.

Mr. Lampl asked for clarification of the $1.5M student activity fee balance source. Mr. Rackliffe explained FY98 expenditures originally covered by student activity fee funds were charged to unexpended FC10 funds at end-of-year in order to avoid lapsing those funds (student activity fee funds do not lapse).

Dr. Decatur pointed out the sources listed by Mr. Rackliffe did not include mandatory contingency fund allocations for PeopleSoft implementation and networking the campus. Mr. Rackliffe reviewed the usual sources of contingency funds and reminded that excess student fee revenues would not be a contributor in FY99 and FY00 and that unallocated indirect cost recoveries had already been listed as a source for covering the revenue shortfall. Dr. Decatur added that this would leave fringe benefit savings as the contingency fund source for flexibility and strategic initiatives in FY99 and FY00. Dr. Henry also added that the sources listed by Mr. Rackliffe still provided for some funding of instructional technology and did not tap the $1.9M moves and renovations budget, which was necessary to keep projected moves on schedule.

Dr. de Castro urged that all potential sources be discussed by FACP before assessing colleges and vice presidential areas for the remainder of the shortfall. Dr. Deitz suggested the protected items might be tapped to the point of slowing projects rather than stopping projects. Dr. Henry reacted that any slowing would be a two-year proposition given the two-year budget dilemma. Dr. Deitz added that the deans would also need to think in terms of two-year strategies as related to potential personnel cuts.

Dr. de Castro asked if other institutions in the University System were facing similar shortfalls in enrollment. Dr. Henry responded that results were mixed, and cited Clayton State and West Georgia as being even and Kennesaw State and Georgia Perimeter as being short. Dr. de Castro asked about the possibility of the Board of Regents foregoing redirection in FY00 given this situation. Dr. Henry responded that redirection was a directive from the Office of Planning and Budget rather than the Board of Regents. Dr. Decatur elaborated on the Board of Regents strategy for seeking to recover as much of the 5% redirection required from the University System as possible.

Mr. Lampl urged that the campus networking project not be slowed. He pointed out that the university lagged behind competitor institutions in this regard. Dr. Henry added that the networking project would also provide for efficiencies of operation.

Dr. Jacobs suggested study of why some institutions maintained enrollments through semester conversion and others lost enrollments. Dr. Henry responded that information to students was a factor as well as the percentage of part-time students. Dr. Decatur added that the learning support program change was another factor. Dr. Henry pointed out that Valdosta State had also eliminated admission of learning support students. Dr. Torbert noted Georgia State and Georgia Perimeter had been the only institutions affected by the tuition plateau change.

Dr. Crimmins asked if the reduced contingency fund potential for FY99 and FY00 would affect the library acquisitions flip-flops for FY00 and FY01. Dr. Henry responded that it would be depend on the end-of-year sweep. Dr. Decatur commented that not executing a flip-flop would put the libraries at risk for maintaining collection development.

Dr. Jacobs reiterated need to communicate with students about taking an additional course.
Deitz indicated he would send e-mail to all faculty in the College of Education to urge them to talk with students about this matter and recommended the other deans be asked to do the same.

Dr. Crimmins asked if a hiring freeze should be implemented. Dr. Decatur responded that the real problem was in FY00. Dr. de Castro suggested that redirection be done through the regular process rather than in conjunction with budget reduction to cover the revenue shortfall. Dr. Decatur advised against going to the deans and vice president twice for cuts. Dr. Deitz agreed that the deans and vice presidents needed to look at the big picture at one time. Dr. Harris agreed with this point and urged that increasing headcount be a major focus as well. Dr. Crimmins cautioned that any redirected funds returned by the Board of Regents would be highly targeted and perhaps not in top priority areas of the university. Dr. de Castro spoke of the need to protect credit hour production. Dr. Decatur commented that a hiring freeze would not be a long-term solution and recommended giving colleges and vice presidential areas flexibility to deal with cuts as they saw best.

Dr. Deitz asked about a formula for percentage redirection among colleges and vice presidential areas. Dr. Henry responded that the vice presidential areas had been hit harder in prior years and were not in a position to absorb higher percentage cuts again. Dr. Deitz asked what the overall percentage cut required would be. Mr. Rackliffe replied 2.3%. Dr. de Castro asked if redirection targets had been discussed with the deans and vice presidents. Dr. Henry indicated Administrative Council and Deans' Group would be involved in these discussions prior to further discussion by FACP. Dr. de Castro asked if redirection targets for colleges would be linked to their enrollments. Dr. Henry noted the College of Law, already on the semester calendar, had experienced no loss of enrollments. Dr. Deitz noted the relative impacts of redirection based on enrollments if applied to the College of Arts and Sciences and the College of Health & Human Sciences.

Dr. Crimmins asked if auxiliary enterprises had been hit hard by the enrollment shortfall. Dr. Decatur responded these were largely headcount-based and so were affected. Dr. de Castro asked if this included housing. Dr. Decatur responded the residence halls were not filled and consequently there was a shortfall. Dr. de Castro noted the need to look at unit budget summaries.

Prepared by Edgar Torbert
Approved September 11, 1998

Please send questions or comments to Mary Nell Stone