FISCAL ADVISORY COMMITTEE TO THE PRESIDENT

Minutes of April 25, 2000

Members present:            Ron Henry (chair), Ahmed Abdelal, John de Castro, Sid Harris, Fenwick Huss, Fred Jacobs, Larry Kelley, Tom Lewis, Carol Whitcomb

Members absent:            André Young

Others present:            Jerry Rackliffe, Edgar Torbert

Recommendation:            Reduction in Moves and Renovation base budget by $225K to balance the FY2001 original budget, but to be replenished from supplemental funds during the course of the fiscal year

Minutes of April 4, 2000 were approved as distributed.

Mr. Rackliffe distributed a series of spreadsheets to explain derivation of the FY2001 budget figures:

(a) FACP Targeted Pool (faculty promotion raises and PTI rate increases by unit);
(b) Redirection Targets (for College of Education and Information Systems and Technology);
(c) Other Adjustments (inter-fiscal year transfers between college and VP level units);
(d) New Funding Allocations (program review action plan items, Biobus support, College of Law eminent scholar, Minority Hiring Incentives, Undergraduate Studies Office, Student Advisesent Services Office, unmet demand holding account, Woodruff Park, positions transferred from state, fringe benefits adjustment, rent increases, institutional membership increases, Alpharetta Center, Recreation Center operations);
(e) Schedule of Allocations (FY2000 to FY2001 original budget additions/reductions including raise pools, redirection, other adjustments, and new funding, by college and VP level unit);
(f) University System of Georgia Fiscal Year 2001 Final Allocation, Georgia State University (communication of FY2001 budget from Board of Regents);
(g) FY2000 Insurance Premiums;
(h) Schedule of Projected Revenues and Expenditures (detail of the above); and
(i) Special Funding Initiative Allocations (Teacher Prep, GRA, Connecting Students and Services, Desktop Learning, Instructional Technology, PREP, Spectrum, Galileo, Connecting Teachers and Technology, and Eminent Scholar)

Mr. Rackliffe noted in item (e) a shortfall of $217K for FY2001 given the preliminary funding recommendations from the April 4, 2000 meeting.

Dr. Huss asked about inclusion of rent revenues paid Georgia Perimeter College for Alpharetta Center classrooms. Dr. Henry replied these revenues would be added to the contingency fund.
Mr. Rackliffe pointed out Yamacraw funding was not included in the analysis, because these funds would again be amended to the budget in the course of the fiscal year. Dr. Jacobs asked about the reason for taking this approach. Dr. Henry noted tenure track faculty were hired with these funds, and cited heavy reporting requirements (credit hours taught, etc.) tied to the initiative. Dr. Abdelal commented that faculty hired with these funds would be listed as sponsored in the original budget.

Dr. de Castro asked about the enrollment adjustment of minus-$13.9M in item (f). Dr. Henry explained this amount was 13% of the University System budget reduction of $103M, based one-half on institutional share of the University System budget and one-half on institutional contribution to the fall semester (only) credit hour shortfall. This reduction is offset partially by our share of $6.3M of the “Governor’s hold harmless”. Dr. Henry added the state Office of Budget and Planning held that the University System reduction would be offset in part by savings realized by switching to a PPO health insurance program during FY2001.

Dr. Harris asked about the $500K Eminent Scholar allocation in item (l). Dr. Henry responded this allocation was for the Dan Sweat Chair to be shared by the College of Education and the Andrew Young School of Policy Studies.

Mr. Kelley offered a solution to the shortfall, rounded to $225K, by reducing the Moves and Renovations budget by that amount with mid-year replenishment to come from the supplemental budget funds for health insurance (for expenditures already budgeted). Dr. Henry voiced support for this plan along with the intention to rebuild the Moves and Renovations base budget as semester credit hours rebound.

Dr. Harris made a motion to recommend the Moves and Renovation plan proposed by Mr. Kelley to cover the $225K shortfall. Dr. Jacobs seconded the motion. The motion passed.

Dr. Huss presented a resolution passed by the Senate Committee on Budget to endorse the increase in minimum pay for PTIs to $2,600 in FY2001 and to encourage future increases as well.

Dr. de Castro asked about the capacity of the FY2001 contingency fund to handle all of the items deferred for payment from that source. Mr. Rackliffe stated fringe benefits alone would insure at least $3M in the contingency fund. Dr. Henry cautioned implementation of SIS/Banner software would be very costly with an estimate by consultants of $10.5M over four years, including $4M in FY2001.

Dr. Abdelal reported a review of room utilization has revealed classrooms available at prime times, which would permit offering additional sections to generate more semester credit hours.

Dr. de Castro reminded shares of revenues from the semester credit hours produced beyond the budgeted hours had been earmarked for the colleges and the research building.

Prepared by Edgar Torbert
Approved May 19, 2000