FISCAL ADVISORY COMMITTEE TO THE PRESIDENT
Minutes of October 15, 1999

Members present: Ron Henry (chair), Ahmed Abdelal, Larry Kelley, Tom Lewis, André Young

Members absent: John de Castro, Sid Harris, Fenwick Huss, Fred Jacobs, Carol Whitcomb

Others present: Lisa Beck, Tim Crimmins, Ralph Kahlan, Jerry Rackliffe, Edgar Torbert

Minutes of September 17, 1999 were approved.

Redirection Strategies

Dr. Henry opened discussion of redirection strategies by recommending the strategy of a combination of specific redirection targets and then across-the-board shares for the balance. Dr. Henry advised that unlike in prior years, the targets should take into account credit hour productivity. He also suggested taking into account qualitative assessments of new-funding investments in strategic initiatives in recent years. Dr. Henry noted a subcommittee of the Senate Budget Committee is also discussing parameters for redirection along these same lines and that their recommendations would be forthcoming.

Dr. Henry presented two tables as a first step in looking at enrollments and redirection, one showing hours taught by college of course and another showing students enrolled by college of major. These tables showed figures for each fall term, 1994-99, and percentage change between fall term 1999 and the average of the fall terms 1995-97. Dr. Henry suggested a drop of more than 10% in either table as a flag for attention.

Dr. Abdelal pointed out the need to correct the tables to reflect the move of the Human Resource Development program from Education to Policy Studies. He also questioned the addition of Developmental Studies/Learning Support enrollments to Arts & Sciences for fall terms 1994-95 since these enrollments were subsequently eliminated by changes in admission standards and could confound trends in regular enrollments.

Dr. Henry explained that the decrease in students enrolled for Health & Human Sciences reflected the termination of degree programs in mental health and medical technology and might be reversed with the start-up of the master of social work program.

Mr. Kahlan commented that the Robinson Business credit hour figures were down in part due to students rushing to finish their quarter calendar based programs. Drs. Abdelal and Henry noted the move of Economics from Robinson Business to Young Policy Studies was the greater, lasting factor and should be shown in the tables. Dr. Crimmins advised that approximately one third of entering freshmen were indicating probable business majors which bode well for enrollment recovery.

Dr. Abdelal observed that analysis of enrollments was very complicated and that the figures should be examined with respect to departments rather than only at the college level. He also recommended examination of program/department costs. Dr. Henry noted the issue of how to include centers. Dr. Abdelal spoke in favor of including them within the host departments. Dr. Crimmins asked about what comparisons would be made. Dr. Henry indicated for this purpose the comparisons should be internal to the university with attention to trend lines.

It was agreed to form a subcommittee to look at enrollments and program/department costs. Members of the subcommittee will be Drs. Abdelal and Huss from FACP, representatives of Education, Health & Human Sciences and Young Policy Studies, Dr. Moore, and Mr. Rackliffe.

Dr. Henry recommended a similar approach to examining the non-academic areas. He recalled the subcommittees appointed four years ago to recommend redirection targets for continuing education, creative services, student services, auxiliary services, etc. Mr. Kahlan asked about potential for outsourcing in non-academic areas. Mr. Kelley replied that outsourcing did not lead to savings in general. Mr. Kelley added that savings were more likely if services were reduced. Dr. Crimmins commented that it would be helpful to know number of students served since there was a tendency to continue services even if their use evaporated.

Mr. Young expressed concern about effects of redirection on student activity fees. He indicated discussions were underway about raising student activity fees in order to expand student life programming, not to offset redirection
from state funds to the student activity fee. Dr. Crimmins responded that increases in headcount could still enable increases in funds for programming. He added that the Pricewaterhouse Coopers consultants had pointed to duplication of services and programs in the student services area. Dr. Torbert reminded that the raise pool for employees shifted to the student activity fee budget had to come out of student activity fee revenues regardless of changes in the fee or headcount. Dr. Crimmins also mentioned the possibility of new revenues from Incept fees as that program is re-developed.

Mr. Rackliffe asked about the possibility of retaining the current North Metro Center in addition to the Alpharetta Center. Dr. Henry responded that Robinson Business was looking at the marketability of dual operations at NMC and Alpharetta, but financial analyses were still needed. Mr. Kelley questioned whether the NMC location would draw students away from Alpharetta and downtown rather than building up enrollments. Dr. Henry injected that even if enrollments were shown to be positive for dual operations there were still questions of University System approval and where to find the base funds to keep NMC open. He acknowledged that in the long run both operations would probably be "cash cows". Dr. Crimmins recommended a survey of students to determine enrollment patterns for Alpharetta, NMC and the combination of the two.

It was agreed to form a subcommittee (membership not specified) to look at non-academic areas with respect to services, costs, redirection, etc. and to utilize the existing committee headed by Dr. Huss regarding any recommendations pertaining to Alpharetta and NMC.

Health Care Costs

Dr. Henry cautioned that the University System and the state were running short of funds for employee health care and that unless Governor Barnes pushed for supplemental budget funds for this purpose, the units would be assessed mid-year. Mr. Kelley projected the share for the university to be in the range of $500K. He stated that the cause of the shortfall was higher use than anticipated. Dr. Henry added that other states had faced this problem earlier.

Prepared by Edgar Torbert
Approved November 5, 1999