Minutes of May 21, 1999

Members Attending: John de Castro, Bill Decatur, Ron Henry (Chair), Fenwick Huss, Fred Jacobs, Jim Scott

Members Absent: Ahmed Abdelal, Sid Harris, Carol Whitcomb, Andre Young

Others Attending: Lisa Beck, Jerry Rackliffe, Edgar Torbert

Minutes of April 21 and 29 were approved as circulated.

Mr. Rackliffe distributed "Georgia State University, Schedule of Projected Contingency, Fiscal Year 1999" showing projected contingency funds of $2.6M. He indicated the sweep might yield $0.8M in addition to the contingency funds for a total of $3.4M in end-of-year funds.

Dr. de Castro asked for an explanation of the large increase in the projected contingency funds. Mr. Rackliffe cited the combination of spring semester credit hours, indirect cost recoveries, application fees, student activity fee "flip-flop" funds, ISAT lease pre-payments, postponement of Wachovia lease payments, higher than normal interest income, and savings in undistributed fringe benefits.

Dr. Henry noted the possibility of the Georgia Building Authority requiring Wachovia lease payments from the start of construction which would impact the Fiscal Year 2000 budget. Dr. Decatur referred to an upcoming meeting with the head of GBA to discuss such matters.

Dr. Henry pointed out that the $500K held from the Instructional Technology budget as a cushion for enrollment shortfall could have been expended given the size of the projected contingency funds. Mr. Rackliffe explained that the use of interest funds is restricted to capital expenditures, including equipment.

Mr. Rackliffe distributed "Georgia State University, Contingency/Sweep Funding Analysis, Fiscal Year 1999" showing potential uses for the end-of-year funds in the range of $1.7M to $5.9M.

Dr. Decatur commented on the $500-600K end-of-year item pertaining to acquisition and preparation of the Atlanta police headquarters block. He reminded that the Board of Regents had approved the deal for the block on the condition the university pay GBA for demolition. He stated demolition bids were due June 15.

Dr. Decatur clarified that moveable furniture was part of the project funding for the Alpharetta Center, and the $0.5-1.1M end-of-year item was for instructional technology equipment for the center. He added that if the equipment were bid prior to July 1, 1999, this would eliminate the need for Fiscal Year 2000 funds for this purpose. Dr. Jacobs expressed reservations about ordering instructional technology equipment too far in advance of installation given rapid changes in the technology. Dr. de Castro urged waiting to get the most up-to-date equipment. Dr. Decatur agreed to check with the project team regarding the optimal time line for purchasing this equipment.

Dr. de Castro asked about unmet needs on the mandatory contingency list which might be met by end-of-year funds. Mr. Rackliffe replied that more funds had been allocated for the mandatory contingency items than might be spent in the current fiscal year.

Mr. Rackliffe characterized the $0.5-1.9M end-of-year item for the Wachovia Building as a virtual flip-flop since funding this project in Fiscal Year 1999 would free Moves and Renovations funds for Fiscal Year 2000. Dr. Decatur elaborated that the $8M figure quoted for the project had been for construction only and did not include architect fees or equipment. He cautioned that GBA was looking at the $8M figure for renovation of the entire building not only the School of Policy Studies space, requiring a 20% project contingency fund, and exacting a $500K down payment. Dr. Jacobs inquired how the university could be assured of the use of its funds for the School of Policy Studies construction only. Dr. Decatur responded this would be a topic for the upcoming meeting with the head of GBA. Dr. Huss asked about the estimated cost to the university of the project. Dr. Decatur indicated a shortfall of $900K plus equipment costs was the current estimate.

Dr. de Castro suggested pre-payment of software licenses as a possible target for end-of-year funds. Mr. Rackliffe confirmed this option was being checked. Dr. Decatur observed the state auditors were attentive to flip flops such as the one in Fiscal Year 1998 with student activity fee funds.

Dr. Jacobs asked about timing of paving the parking lot at the Atlanta police headquarters site. Dr. Decatur replied the lot was needed to offset spaces to be lost for construction of the new recreation center and for staging that project.
Dr. de Castro asked about any items which were unfunded on the contingency list. Mr. Rackliffe stated all targets had been funded. Dr. Henry agreed to canvas the vice presidents and deans for potential end-of-year fund expenditures.

Dr. Jacobs made a motion to recommend end-of-year funds as follows: (a) $600K for police headquarters site; (b) $500K for Wachovia Building; (c) $250K for library acquisitions; (d) $90K for classroom furnishings; (e) $100K for university computers; (f) $100K for PeopleSoft related expenses; and (g) $500K for Alpharetta equipment not time-of-purchase sensitive. Dr. Huss seconded the motion. The motion passed.

Dr. Jacobs made a motion to recommend increases to $350K for university computers including Y2K compliant servers and to $250K for PeopleSoft. Dr. Huss offered an amendment to recommend an increase to $1M for the Wachovia Building. Dr. Henry offered an amendment to recommend an increase to $800K for Alpharetta. Dr. Huss made a substitute motion to recommend the above items. Dr. Jacobs seconded the motion. The motion passed.

Prepared by Edgar Torbert

Approved: August 20, 1999