FISCAL ADVISORY COMMITTEE TO THE PRESIDENT
Minutes of August 20, 1999

Members present: Ron Henry (chair), John de Castro, Fenwick Huss, Larry Kelley, Tom Lewis, Carol Whitcomb, Andre Young.

Members absent: Ahmed Abdelal, Sid Harris, Fred Jacobs.

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

Recommendations:

1. Budget Guidelines for Fiscal Year 2001
2. Projected fee incidents for Fiscal Year 2001 to be (a) Summer 1999 actual headcount plus (b) Fall 1999 budgeted headcount plus (c) Spring 2000 budgeted headcount

Minutes of May 21, 1999 were approved. Dr. Henry welcomed new members: Fenwick Huss, Larry Kelley, Tom Lewis, and Andre Young.

Year-End Funds

Mr. Rackliffe distributed "Georgia State University, Review of Year-End Contingency & Sweep Funding Sources and Uses, Fiscal Year 1999" showing sources of $4.92M and uses of $4.87M. Dr. Henry pointed out year-end funds originally designated for the Wachovia project were shifted to Alpharetta Center equipment purchases when it was determined (1) GBA would be unable to accept the Wachovia pre-payment and (2) library flip-flop capacity was exhausted. Dr. Henry reminded that the Wachovia project costs were an on-going obligation. Dr. Huss asked about the starting date for Wachovia lease payments to GBA. Mr. Kelley indicated this issue was unresolved with GBA.

Library Acquisitions

Mr. Rackliffe distributed "Georgia State University, Schedule of Library Acquisitions, Fiscal Years 1994-2000" showing $901K needed for Pullen Library and $21K for the law library in order to match total acquisitions funding in FY1999 (beyond continuing funds budgeted for acquisitions in FY2000). Mr. Rackliffe cited a 6% inflation factor in addition to these amounts in order to maintain purchasing power ($270K). Dr. Crimmins asked about sources for these funds. Dr. Henry responded that contingency funds were the only source, but would also be needed for GSUNet2 and Moves & Renovations.

Student Tuition Revenue

Mr. Rackliffe distributed "Georgia State University, Schedule of Student Tuition, Fiscal Year 2000" showing Summer 1999 matriculation and non-resident revenues combined to be $764K short of budget. Mr. Rackliffe noted a $300-400K error in refunds contributed to the shortfall, and to some extent might be recovered. Dr. de Castro asked for explanation of the remainder of the shortfall. Mr. Rackliffe pointed to the $300K shortfall in non-resident revenues. Dr. Henry attributed this result to the University System decision to charge non-residents at a 4-to-1 rate compared to residents, which made system institutions much less cost competitive for non-residents. Dr. Henry also noted that the tuition plateau would mean increases in semester credit hours generated would not translate linearly to increases in revenue. Dr. de Castro asked if the non-resident situation might be a summer-only effect. Dr. Henry and Mr. Rackliffe replied this was a multi-year trend applying to all terms.

Flip-Flop

Mr. Rackliffe distributed "Georgia State University, Draft Schedule of University Flip-Flop, Fiscal Year 2000" showing available, undesignated flip-flop funds of $557K and potential uses of $1.89M. Dr. de Castro questioned the $100K item, CHARA OMP, since FY2000 continuing funds had been allocated for this purpose. Dr. Torbert confirmed an allocation of $70K toward a request for $150K. Dr. de Castro asked if the summer shortfall would necessitate use of some of the flip-flop funds. Dr. Henry replied the tuition plateau set-aside in the Provost budget was intended to cover revenue shortfalls, as discussed at the May meeting.

Budget Guidelines (Part 1)

Mr. Rackliffe distributed "Georgia State University Budget Guidelines, Fiscal Year 2000 FACP Calendar" and pointed out the minor changes (dates, membership list, etc.) from the preceding year. He corrected the entry for April 4, 2000, to exclude the presidential allocation discussion which was correctly listed for April 14, 2000. He also pointed out the April, 2000 discussions of "other budgets" (student activity, housing, athletics, recreation, parking, etc.) would be brief or unnecessary, if those budgets were reviewed in conjunction with the related fee proposals in November-December,
1999. Dr. Torbert asked for a decision on meeting times for the dates listed in the calendar for Fall 1999. It was agreed to meet 9:30-11:00 a.m. on those dates.

Redirection

Dr. Henry presented his reading on redirection for FY2001. He stated a 1% return ($2.27M) to the University System and in turn to the Office of Planning & Budget was virtually certain. He added that total redirection of 5% ($11.3M) was likely. He noted state agencies would be limited to 4% requests for new funds from the legislature, which would suggest a cap in that range for in-house requests from the colleges and vice presidential areas. He advised 3% raises were anticipated for state employees in FY2001, but the University System might request use of an additional 1% of its funds.

Change in Recreation User Fee

Dr. Henry reported an increase in the recreation user fee for faculty and staff without prior review by FACP had been brought to his attention. Mr. Rackliffe suggested that the relatively small amount of fees collected from faculty and staff could be replaced by contingency funds/fringe benefit savings, and therefore treated as a fringe benefit for faculty and staff. Ms. Whitcomb commented that even a small increase in the user fee would have a significant impact on the lowest paid employees. Dr. de Castro indicated the Recreation staff saw the added fee as a way for faculty and staff to help the students bear the salary increase costs for Recreation personnel, which otherwise would come from the student fee only. Dr. Henry stated he would talk with Judy Bryant about the issue.

Library Copying Charges

Dr. Henry reported on student dissatisfaction with the steep increase in copying charges in the libraries. Mr. Kelley responded that the vendor had lost $25K in FY1999, and rather than cut the level of services, had instituted the increases for FY2000. He noted the increase was from 8 cents to 15 cents per page with a charge card or 20 cents per page for cash. Mr. Young reported on a meeting with Bonnie Murphy concerning the matter, and pointed out students had not been consulted in making the decision. Dr. de Castro asked about the level of service. Mr. Kelley responded that staffing was needed to maintain the copiers and to collate materials. Dr. Huss suggested premium charges for the extra services such as collating rather than charging all customers. Dr. Huss asked if the contract could be renegotiated regarding these charges. Mr. Kelley replied affirmatively. Dr. Crimmins asked about the make-up of the committee which advised Auxiliary Services on this matter. Mr. Kelley responded that librarians, faculty and students had been appointed, but the students did not attend. It was agreed Auxiliary Services should reopen discussions with the vendor and convene the advisory committee including student members.

Budget Guidelines (Part 2)

Dr. Huss made a motion to recommend the budget guidelines as discussed. Dr. de Castro seconded the motion. The motion passed.

Fee Incidents

Dr. de Castro pointed out the need to prescribe the number of projected fee incidents for calculation of FY2001 mandatory fee revenues. Mr. Rackliffe suggested projected fee incidents for FY2001 be: (1) Summer 1999 actual headcount plus (2) Fall 1999 budgeted headcount plus (3) Spring 2000 budgeted headcount. It was agreed to recommend the above.

Prepared by Edgar Torbert

Approved September 17, 1999