FISCAL ADVISORY COMMITTEE TO THE PRESIDENT

Minutes of June 16, 2000

Members present:                        Ron Henry (chair), Ahmed Abdelal, Sid Harris, Fenwick Huss, Fred Jacobs

Members absent:                        John de Castro, Jerry Edwards, Larry Kelley, Tom Lewis, Leslie Williams

Others present:                        Jerry Rackliffe, Edgar Torbert

Minutes of May 19 approved as distributed.

Board of Regents Update

Dr. Henry announced the $68M teaching lab building had been the first item added to the Board of Regents capital projects list and a parking deck had been added as the third item on the Board of Regents payback bond list. State funds for the teaching lab building were set at $45M with the remainder to be secured through external fund raising efforts by the university. Funding of prior projects on the capital projects list would require two or three years before the teaching lab building would actually be funded. The teaching lab building will be single highest-cost project ever funded by the Board of Regents.

End-of-Year Update

Mr. Rackliffe presented a series of spreadsheets to outline projected end-of-year sweep and contingency funds. He explained the earlier projections of fringe benefit savings had not taken into account the change in the faculty payment pattern due to semester conversion. This revision of the projections eliminated the negative balance scenario previously presented. The end-of-year sweep and contingency fund scenarios were revised to show balances of $0.163M to $2.612M with variables of fringe benefit savings, university share of indirect cost recoveries, and end-of-year sweep amounts.

Mr. Rackliffe indicated the libraries had confirmed an end-of-year purchasing capacity of $2.5M with $0.90M for equalizing acquisition purchases of the previous fiscal year. The balance of $1.6M would be available for planned flip-flops of funds between fiscal years. Mr. Rackliffe noted requests in-hand from the Andrew Young School of Policy Studies ($195K) and the Physics and Astronomy Department ($80K) to flip flop funds as well as potential flip-flops for the Center for Trade and Technology Transfer, the Institute for International Education, the Georgia Institute for Community Business Development, and ETACT funds.

Dr. Abdelal raised questions about providing flip-flop flexibility to the Board of Regents centers housed on-campus at the expense of institutional flexibility. He urged caution in allowing these flip flops to bail out poor management. Dr. Abdelal also spoke strongly in favor of maximizing use of end-of-year sweep funds for Instructional Technology to upgrade technology in General Classroom
Building classrooms. The approximate cost per classroom was projected as $10K.

Dr. Henry pointed out other possibilities for end-of-year allocations to deal with the replacement of 3Com network components for GSUNet2 due to 3Com exiting that business and to pre-pay the SCT/Banner Student Information System consultants (Cornelius and Associates).

Summer Enrollments

Dr. Henry voiced concern about the decline in summer enrollments, noting a drop of 1,400-1,500 in headcounts from the previous year. He added that the fall figures looked more promising with a larger number of acceptances for both first-time freshmen and transfers. Dr. Abdelal commented that yield would now be the critical factor. Dr. Henry also noted large graduations in May and August, which would also have to be offset with new students.

Wachovia Building

Dr. Harris asked about the status of the Wachovia Building renovations for the Andrew Young School of Policy Studies. Dr. Henry cited encouraging discussions with Georgia Building Authority officials, but warned completion was two-to-three years off.

Prepared by Edgar Torbert
Approved July 14, 2000