Fiscal Advisory Committee to the President
Minutes of November 7, 2001

Members Attending: John de Castro, Sid Harris, Renee Harmon, Ron Henry, Fenwick Huss, Katherine Johnston, Tom Lewis, P.C. Tai, Leslie Williams

Others Attending: Carol Clark, Bill Fritz, John Hartwell, Greg Manning, Robert Moore, Larry Munn, Anthony Roberts, Hazel Scott, Edgar Torbert, Andrea Trinklein, Diane Weber

Minutes of October 24, 2001 were approved.

Housing

Dr. Trinklein presented the proposed increases in housing charges (AY semester from $2,250 to $2,340, summer from $1,080 to $1,116, and May from $540 to $648).

Dr. Trinklein stated the reasons for the increases to be initiation of payback of a loan from Student Center fund for gym and parking deck construction costs not included in the original GSU Village project and increases in costs of goods and services.

Ms. Williams asked about the larger percentage increase for May housing. Dr. Trinklein explained there were 15 extra days between May and summer sessions.

Dr. de Castro asked about the condition of GSU Village. Dr. Trinklein indicated the facility was no longer like-new, and re-painting and re-carpeting was being done.

Dr. de Castro asked about efforts to increase summer occupancy. Dr. Trinklein noted summer was the only time for major renovations and repairs, and traditional students were more likely to spend summers at home. She reported efforts to cultivate the market of summer interns at corporations, such as Coca-Cola. She cited lack of food service and meeting rooms as limiting use of the facility for conferences.

Dr. de Castro suggested an incentive plan whereby summer housing students would receive priority for fall housing. Dr. Fritz commented that the “jump start” program to get freshmen to enroll in summer school would increase summer housing occupancy.

Dr. de Castro made a motion to recommend the housing charges as proposed. Ms. Johnston seconded the motion. The motion passed.

Athletics

Mr. Manning presented the proposed increase in the athletics fee from $78 to $81.

Mr. Manning stated the reasons for the proposed fee increase to be higher scholarship costs and staff raises. He noted the success of the program in the last year with teams in 5 of the 14 sports reaching their respective NCAA playoffs. He pointed to the impact on the university community of such successes bringing people together.
Dr. Huss asked about benchmarks for athletics fees. Mr. Manning indicated the Georgia State fee was the 9th highest overall among the university system institutions, but the highest among those without football programs. Dr. Huss urged comparisons with urban universities with similar programs.

Dr. de Castro asked about funds from the NCAA as a result of participation in the NCAA men’s and women’s basketball tournaments. Mr. Manning explained the women’s tournament does not produce revenue for the participating institutions, and the revenues from the men’s tournament were by conference rules shared equally with all member institutions of the conference. He pointed out that due to extra expenses of participating in the men’s tournament, Georgia State in the end realized less than the other conference members. He stated the Georgia State share was $50K. Dr. Torbert added the conference keeps the revenue on deposit for two years prior to releasing to the member institutions so that the share this year was from participation by another member institution in a prior year. Mr. Lewis commented a change to another conference was needed.

Dr. de Castro asked about the strategic plan for Athletics, which had been promised during fee discussions last year. Mr. Manning responded that a multi-year financial plan had been recently completed, and the strategic plan was in outline form. He indicated with the financial plan in place, the strategic plan would be completed soon.

Dr. de Castro asked about statements last year that requests for fee increases would end with success in fund-raising. Mr. Manning replied that fund-raising efforts were difficult without a track record of asking, so the current mode was “shake hands and ask for money”. He added that corporations want returns for their sponsorships in the form of fans seeing their advertising at games. He noted an advertising disadvantage for Georgia State because of the small arena and no regional TV package through the conference. He pointed out that team budgets had been cut and fund-raising goals lowered to be more realistic.

Dr. Huss asked about student attendance at basketball games. Mr. Manning reported average student attendance more than doubled last season to approximately 200. He indicated this was an area still needing attention. Mr. Lewis noted meetings this semester with student groups to build affinity for the athletics program.

Ms. Williams asked about differences in figures between the presentation to the Athletics Committee and FACP. Mr. Hartwell stated the differences were due to updated fee incident counts.

Health

Ms. Clark presented the proposed increase in the health fee from $16 to $19.

Ms. Clark stated the Health Clinic had expanded services, following the outsourcing of its operation in 1998, from being just a first aid station. She noted the contract was to be re-bid effective July 1, 2002, which posed a major unknown. Ms. Clark pointed to deficits in the current operation, and she speculated the requested $3 increase would cover these deficits and an increase in the contract costs.
Dr. de Castro asked about future requests for increases in the health fee. Ms. Clark indicated the next anticipated request would be for 2006.

Ms. Williams asked if the health fee applied to psychological services provided through the Counseling Center instead of the Health Clinic. Ms. Clark replied that the health fee covers these services.

Dr. Fritz asked about the immunizations function of the Health Clinic. Ms. Clark stated processing had been streamlined with the purchase of new software and that the Health Clinic was working with Admissions and the Registrar to improve service.

Dr. de Castro asked about use of the Health Clinic by faculty and staff. Ms. Clark responded that faculty and staff usage was low. She added that faculty and staff who use the Health Clinic pay the same semester fee as students.

Dr. Tai asked about applicability of health insurance to Health Clinic services. Ms. Clark stated the Health Clinic files insurance claims for service charges such as lab tests.

**Student Center**

Mr. Munn presented the proposed increase in the Student Center facility fee from $34 to $37.

Mr. Munn stated the reason for the requested increase was to start a repair and replacement fund for the facility and to avert deferred maintenance. He indicated the loan payment from Housing (see above) coupled with this $3 fee increase would allow a delay in the next increase until 2008.

Mr. Lewis asked about external rentals. Mr. Munn replied that the market was down following the September 11 attacks, but that to that point rentals had exceeded projections. Dr. de Castro asked if the rentals were mostly local and if a downturn was to be expected with convention business down. Mr. Munn stated most of the rentals were local and that favorable pricing would soften the impact of the convention business slowdown.

Dr. de Castro asked about parking for events in the Student Center. Mr. Munn responded that the Student Center had worked with Auxiliary Services to accommodate groups requiring parking and that “M” deck was generally used for this purpose during times of less student traffic.

**Transportation**

Ms. Johnston presented the proposed increase in the transportation fee from $17 to either $21 (as recommended by the Student Fee Committee) or $22.

Ms. Johnston provided a revised executive summary of the 10-year plan for Parking and Transportation, which included one scenario to extend the MARTA discount to GSU Village residents and lower the transportation fee to $21 in FY2003 and in all four scenarios to raise parking fees to cover the deficits.
Ms. Johnston pointed out that the MARTA discount program had greatly exceeded projections with 5,000 discount cards issued in October 2001 compared to 2,300 in October 2000. She explained that these figures did not include MARTA cards for GSU Village residents who get them as part of their housing package. She indicated that extending the discount program to the GSU Village residents would add $150-175K per year to the cost of the program. Ms. Johnston urged that parking fees should be increased to cover the added cost and that the transportation fee should be increased to $22 in order to be consistent with the university position of encouraging use of MARTA.

Ms. Harmon asked what had been anticipated as the increase in the use of the MARTA discount program. Ms. Johnston replied that a 30% increase had been budgeted for FY 2002.

Dr. de Castro spoke in favor of linking Parking and Transportation. He noted MARTA use affects availability of parking on campus, and he urged a closer look at daily fees. Ms. Johnston reacted positively to the linkage, but warned parking rates should not be raised to the point that decks become too empty.

Mandatory Fees Package

Dr. Henry recommended the athletics, health and Student Center fees be addressed as one package and the transportation fee be revisited at the next meeting. Dr. Scott commented that the Student Fee Committee had looked at transportation only, not parking and transportation.

Ms. Harmon made a motion to recommend the athletics, health and Student Center fees as proposed. Mr. Lewis seconded the motion. The motion passed.

Dr. Tai voiced concern about graduate students paying the same mandatory fees as undergraduate students.

J. Mack Robinson College of Business Degree Program Fees

Dr. Harris presented proposed increases in the Executive MBA two-year program fee from $39,500 for the Class of 2002 to $45,500 for the Class of 2004 and the Global eCommerce Master’s (GEM) program from $42,500 for the Class of 2002 to $45,500 for the Class of 2003. He also presented a new enrichment fee for the Master’s in International Business program in the amount of $3,600.

Dr. Harris stated the reason for the EMBA and GEM increases was to get in-line with competitor programs and in the case of the EMBA program to cover additional costs of the international component.

Dr. de Castro asked about the impact of the business downturn on recruiting for these programs. Dr. Harris responded that the GEM program was unique in Atlanta and would continue to draw based on comments from BellSouth officials. He acknowledged recruitment would be in a different environment from pre-September 11. Dr. Henry added that the program was top twenty worldwide. Mr. Lewis asked about the percentage of students paying their own way. Dr. Harris replied that approximately 20% of the EMBA and 40% of the GEM students pay their own fees.
Ms. Williams asked about enrichment fees for other programs. Dr. Harris stated the Board of Regents had looked favorably on such fees at Georgia Tech because of the higher costs for international business programs, in particular for international placements for internships. Dr. Henry asked about the choices students have for international placements. Dr. Huss responded that the placements were based on language proficiency.

Dr. de Castro asked about a specific budget for use of the enrichment funds. Dr. Huss stated the funds would be used primarily for staff and travel. Dr. de Castro suggested the fee should be structured to offset peculiar costs of the program.

Dr. Tai made a motion to recommend the EMBA fee as proposed. Ms. Johnston seconded the motion. The motion passed.

Ms. Johnston asked about financial aid for students in these programs. Dr. Huss indicated that some GEM students who are struggling entrepreneurs qualify for financial aid.

Dr. Huss made a motion to recommend the GEM fee as proposed. Dr. Tai seconded the motion. The motion passed.

Dr. de Castro voiced his preference to see a pro forma for the MIB program.

Dr. Huss made a motion to recommend the MIB enrichment fee as proposed. Dr. Harris seconded the motion. The motion passed.

Parking

Ms. Johnston reported the deck replacement paybacks had been revised based on 4.85% interest with an annual saving of $130K.

Differential Fees

Dr. Henry reminded that proposals for differential fees based on number of semester credit hours enrolled had been before the Board of Regents for three years.

Other Discussion

Dr. Fritz emphasized the MARTA discount card program should be viewed as a success story.

Ms. Williams asked about charging shuttle users a nominal fee. Dr. Henry responded that the free shuttle had been the selling point for the original transportation fee.

Dr. Henry gave a brief update on proceedings with the Board of Regents and the Office of Planning and Budget in determining the budget cut amounts. He indicated the presidents of the University System institutions had endorsed Plan B, which would have system-wide cuts to lighten the hit on institutions. He reported the supplemental budget proposal was still viewed as a hopeful.