
Others Attending: Ron Colarusso, Bill Fritz, Robert Moore, Jerry Rackliffe, Edgar Torbert

The minutes of March 13, 2002 were approved as distributed.

Mr. Rackliffe handed out the revised "Budget Considerations, Fiscal Year 2002" showing a balance of $537K for the higher projection. He noted the supplemental budget had been passed by the legislature and signed by Governor Barnes with the Georgia State share being $4.1M. He pointed out the supplemental appropriation increase for health insurance included only the state share while the decrease for TRS/ORP included both the state and Georgia State shares. He stated the projected end-of-year sweep might be reduced by units electing to flip-flop funds.

Mr. Rackliffe reviewed other supplemental appropriations including ETACT funds for equipment, technology and construction. He explained the funds were in grant and matching categories with matches having to come from non-state sources. He indicated the grant funds could be used to purchase library books since these are treated as equipment. He added that the matches could come from federal funds, and the matching funds were already committed for research equipment.

Dr. de Castro asked if the ETACT grant funds could be used for the One Park Place project approved at the last meeting. Mr. Rackliffe answered that maintenance was not included in ETACT. Dr. Huss asked if ETACT grant funds could be used for GSUNet2. Mr. Rackliffe answered that GSUNet2 was technology and hence fundable by ETACT. Dr. de Castro asked if ETACT funds could be used for Aderhold Learning Center equipment. Mr. Rackliffe agreed this was an option. Dr. Tai commented that ETACT funds had been carried forward from FY2001 to FY2002. Mr. Rackliffe responded that state auditors approved the one-time carry-forward because of the very late transfer of funds to the University System. Dr. de Castro suggested a flip-flop could be effected with ETACT funds by displacing budgeted funds. Dr. de Castro asked about using Student Technology Fee funds for ETACT matches. Dr. Henry replied that these fees were state funds, and therefore could not be used in this way. It was agreed to add $624K in ETACT grant funds to the balance for a new total of $1.1M.

Mr. Rackliffe distributed "Budget Considerations, Fiscal Year 2003" showing a balance of $1.6M for the higher projection. He explained the revised student fee revenue figure of $75.6M was based on 50K additional SCHs for $4.3M over the FY2002 revenues of $71.3M. He noted the additional hold-harmless funds were up to $1.1M, and tuition increase funds beyond the amount needed to cover the 25% institutional share of the raise pool (additional 3% tuition) were up to $2.1M. He pointed out an additional $200K in OMP for new space, which was assumed to be new 10 Park Place rental space and a correction for existing space in Alpharetta Center. He cautioned that Governor Barnes had indicated there would be no supplemental funds for the University System next year.

Mr. Rackliffe distributed "Possible Budget Considerations, Fiscal Year 2003-2005" showing FY2003
potential expenditures of $6.1M against the $2.7M projected balance ($1.1M FY2002 carry-forward plus $1.6M FY2003 unallocated). He noted the reduction in Banner to $1.5M and the addition of $1.5M for Action Plans.

Dr. Abdelal reported on discussion at the Deans' Group concerning the elimination of Banner backfill allocations to the colleges. He spoke against reinstating the backfill positions given the prospects of offsetting budget cuts.

Dr. de Castro asked about follow-up to the previous meeting in cutting the Banner expenditures. Dr. Fritz distributed "GoSOLAR (Banner) Implementation Project, FY03 Spending Estimate as of 3/15/2002" showing a reduced option totaling $1.1M in FY2003 and estimated on-going expenses of $696K in FY2004. Dr. Henry commented that the backfill cuts also applied to ISAT. Dr. Fritz elaborated that one backfill allocation was retained for ISAT because of the critical need for a UNIX engineer.

Dr. Fritz stated the Banner-related maintenance contracts differed from usual equipment maintenance contracts in that they primarily provided for technicians rather than replacement or repair of equipment. Ms. Johnston asked about the warranty period for the equipment. Dr. Henry indicated the warranties were contingent upon accepting the maintenance contracts. Dr. Fritz reiterated the maintenance contracts were primarily for technical support.

Dr. Huss questioned the continuance of backfill for central enrollment services offices. Dr. Fritz replied that the workload was appreciably increased by building records for new students and the five-fold increase in the number of applications. Dr. Henry added that the backfill personnel were in low salary positions in the case of Admissions. Dr. Huss noted the colleges were also experiencing increased workloads due to Banner.

Dr. Abdelal commended the more modest approach outlined in the revised spending estimate for Banner. He urged an approach of bringing costs down as low as possible rather than adding more items to the discussion. Dr. Moore characterized the reductions in Banner backfill as a shifting of the burden to the units rather than actually cutting costs. Dr. Fritz conceded this was the case, but the reductions for travel and supplies were real cuts. Dr. Fritz reported encouraging news concerning the initial live runs of Banner in Financial Aid and Admissions and assessments of workloads.

Dr. Abdelal suggested adding a separate item for Banner-college backfills to the budget considerations for discussion later. It was agreed to change the figure for Banner from $1.5M to $1.1M and to add Banner-college backfills at $250K.

Dr. de Castro again questioned the projected maintenance expenditures, in particular for the Sun equipment. Dr. Fritz replied that self-insurance would entail longer waits to get technicians. Dr. Abdelal voiced concern about the shortage of in-house expertise given the level of funding for ISAT. Dr. Henry suggested exploration of options for less than 24/7 coverage. Dr. Fritz stated workday-only coverage was approximately 1/2 the cost of full coverage. Dr. Harris suggested investigation of third party providers.

Ms. Johnston asked if there would be savings from self-service features once Banner is fully
Dr. Fritz affirmed there would some savings, but indicated it was premature to calculate such. Dr. Jacobs called for analysis of the ultimate cost of Banner. Dr. Henry disagreed noting complications of shared resources and the mandate to implement Banner. Dr. Huss commented that an analysis of costs and savings would increase confidence for the next project of this type. Dr. Henry stated the objective was to complete implementation as inexpensively as possible. Dr. Fritz added VPI had spent $60M on Banner, but it was unclear what was included in the cost figures.

Dr. Abdelal asked if the unmet demand figure was reasonable given anticipated enrollments. Dr. Henry reacted that the $1.4M figure reflected the current year, and might be low.

Dr. Abdelal urged further discussion of MRR. Dr. Henry responded that the funds were already committed for Wachovia. He noted payments were due in advance of occupancy of the building. Ms. Johnston reviewed the deal made with GBA to spread payments over 3 years, and observed the project was a relatively modest upgrade of an old building. She cautioned there were new concerns about the load-bearing capacity of the floors. Dr. Abdelal asked for a summary of the project costs. Dr. de Castro echoed this point in the same vein as the Banner presentation.

Dr. Huss and Dr. Harris asked for a summary of the unmet demand expenditures.

Dr. Abdelal suggested removing the non-tenure track initiative given the budget situation.

Dr. Moore stated the Dan Sweat chair represented an obligation to fund with respect to the donors, and added the search was in progress. Dr. Abdelal responded that the question was not whether to proceed with filling the chair, but if the college could absorb the cost. He pointed out Arts & Sciences had not sought funding centrally for the Georgia Research Alliance chairs. Dr. Colarusso stated the College of Education was already investing in search expenditures for the chair.

Dr. Henry asked about priorities for Action Plans. Dr. Moore asked if these were new Action Plans. Dr. Henry replied there were backlogged items. Dr. Abdelal indicated he would support dropping or delaying some Action Plan items.

Dr. Henry summarized discussion as follows: gather details on unmet demand, Aderhold Learning Center and decision support services; omit non-tenure track initiatives, Action Plans, and Dan Sweat chair. Dr. Moore asked about the difference with the College of Law chair. Dr. Henry replied that the College of Law had no flexibility with vacant positions, and the chair was already filled.

Dr. de Castro characterized dropping the Dan Sweat chair as a cut. He added that colleges with budget flexibility could address some Action Plan items.

Dr. Tai commented that every new initiative seems to promise personnel savings eventually, but these never materialize. Dr. Henry acknowledged this was frustrating, but observed people were retrained to do higher-end jobs so that only lower-end jobs were phased out. He added that the Y2K project had not resulted in additional permanent positions. Mr. Rackliffe stated Spectrum had ended with one new position.
Dr. Harris asked for a breakdown of the Action Plan costs. Dr. Henry responded that this information was the same distributed to the Deans' Group six months ago, but he would redistribute.

Dr. de Castro recommended revisiting the FY2002 college and VP area budget holds to determine if flip-flop opportunities exist. Dr. Henry replied that the holds were no longer real. Dr. Abdelal added that as the supplemental budget picture had improved the holds had been loosened.

Dr. Harris suggested three categories of funding items: revenue generating, cost savings, other. He expressed doubt sufficient funds were targeted for unmet demand in the Robinson College of Business. Dr. Abdelal agreed protection of revenue generation should be a priority. Dr. Harris asked about revenue generation-related items in the Action Plans. Dr. Henry replied that unmet demand was a higher priority with respect to revenue generation.

Ms. Johnston announced the 24/7 copier contract had been non-renewed because the workday-only contract was approximately 1/3 as costly. She indicated the campus community would be informed of this change.

Mr. Rackliffe announced salary worksheets would be available April 1. He noted the need to settle the min-max figures for FY2003. Mr. Lewis stated the 3.25% raise pool appeared safe.

Prepared by Edgar Torbert
Approved April 10, 2002