Members Attending: John de Castro, Ron Henry, Fenwick Huss, Katherine Johnston, Susan Kelley, Kimberly Smith, P.C. Tai

Others Attending: Lauren Adamson, Bill Fritz, Steve Kaminshine, Robert Moore, Jerry Rackliffe, Chris Taylor, Edgar Torbert, Tracy Van Voris (for Phillip Mitchem)

Minutes of September 18 were approved with a correction of the attendance list.

FY2003 Budget Hold

Dr. Henry announced a “budget watch” message (in the style of weather watches and warnings) had been sent to the deans and vice presidents in anticipation of further cuts to the FY2003 budget. He cautioned that uncommitted funds had been depleted, and urged restraint in making new commitments during the remainder of the year. He speculated units might have to absorb 1% cuts. He reiterated this message was meant to be a prudent warning at the end of the first fiscal quarter and that layoffs would not occur. He noted the university had already absorbed a 7% cut between fiscal years and an additional 3% cut after July 1, but that the large increase in credit hours had allowed the university to manage these cuts with the increased tuition revenues.

Dr. de Castro inquired about the authority of the Governor to cut budgets. Mr. Rackliffe replied that the Governor has the authority to make cuts, but not to order furloughs. Dr. Henry added that the Governor is responsible for balancing the budget against actual revenues. Dr. de Castro asked about the timeline for further cuts. Dr. Henry replied that such decisions would be made after the November elections and probably in January. He pointed out that state revenues were still not showing of signs of a rebound through the first quarter.

Dr. de Castro asked about across-the-board percentage cuts versus targeted cuts. Dr. Henry responded that percentage cuts were likely. Dr. de Castro listed ISAT as a possible target with a large budget. Dr. Henry replied that ISAT was preparing a budget analysis to show sources and uses of funds at the sub-unit level. He commented that some sub-units support others in a complicated way, which needs to be detailed. Dr. Henry added that ISAT was not the only the unit with a large budget.

FY2004 Budget Preparation Calendar

Mr. Rackliffe distributed copies of a draft FY2004 budget preparation calendar.

Dr. Henry reported the Board of Regents had submitted its FY2004 budget requests to the Governor in September, but unlike prior years had not released information beyond the press release to campus administrators. He indicated the budget requests centered on the funding formula with $81.5M of the total $145M for workload (Georgia State would receive $12.2M). He listed other the items as OMP funds for new space, retirement plan funds, and continuing education funds. Dr. Henry stated that there were no new requests for Special Funding Initiatives (SFI), but $34M requested for maintaining initiatives such as post-secondary readiness, P-16,
ICAPP, teacher preparation and Galileo. He noted the salary increase request was unspecified beyond a request for “average” raises and a notation that Georgia ranked 3rd among the 16 Southern Regional Education Board states. Dr. Henry listed supplemental budget requests for MRRF, eminent scholars, data warehouse and libraries.

Dr. de Castro asked about funding for graduate student health insurance. Mr. Rackliffe answered this item was again not included in the Board of Regents requests. Dr. de Castro commented that this made our graduate student funding packages less attractive than those of competitors out of state.

Dr. Henry asked Mr. Rackliffe to confirm the April meeting dates for the Board of Regents (shown April 8-9 on draft calendar). Dr. de Castro pointed out the Senate year had changed so that the transition meeting would occur in August rather than June. Dr. de Castro also asked for a meeting to review finalized budgets. Mr. Rackliffe replied this was accomplished in effect by reviewing the flip-flops. Dr. de Castro also asked for a meeting with the President to discuss his funding decisions.

FY2004 New Funding Requests

Dr. Henry called for discussion of the percentage limit on total new funding requests from colleges and vice presidential areas.

Dr. Moore asked if the program review Action Plan items were already included in the budget considerations spreadsheets prepared by Mr. Rackliffe. Dr. Henry responded that these were not included but rather left to the colleges to prioritize among all requests for FY2004. Dr. Moore questioned generating additional requests when Action Plan commitments of $2M had not been funded. He noted the program review process was accelerating so there would be many more Action Plan commitments shortly. Dr. Henry responded that Action Plans currently addressed only academic units and not administrative-support areas. He commented that the colleges were advantaged in having the pre-screening of requests through the program review process. Dr. de Castro spoke in support of honoring the Action Plan commitments. Dr. Henry emphasized that if the colleges submit requests out of sync with the Action Plans, there would be the need for very strong rationales. Dr. Huss injected that not all units had started program review at the same time, and consequently would not have their requests in the pipeline.

Dr. de Castro suggested basing the limit on new funding requests on a double the available funds basis, such as $5M general plus $2M for Action Plans. Dr. Moore asked if FACP would follow college priorities. Dr. Henry replied that this was the case most of the time, but there were some exceptions. He noted exceptions when college requests are dealt with on an across-the-board basis such as requests for GRAs and computer support.

Dr. Tai spoke in favor of setting general priorities for new funding with Action Plans high on the list. Dr. Huss responded that the units should bear responsibility for making their case for new funding, and not be restricted by a pre-determined list of priorities.

Dr. Adamson suggested that 2% or 3% might be too conservative. Dr. Henry agreed that a higher limit might be advisable. He added that it would not be desirable to have the total requests equal
to or less than the funds available. He also noted too high a limit would also be a problem. Dr. Adamson elaborated that expectations had been high for FY2004 and there were considerable stored-up requests in anticipation of a better new funding situation. Ms. Johnston spoke to the desirability of looking at actual funding needs, and recommended a 5% limit. She asked about a prescribed format for the FY2004 requests. It was agreed Mr. Rackliffe will prepare forms for this purpose.

Ms. Smith asked about anticipated tuition increases for FY2004. Dr. Henry replied that the Board of Regents would set tuition for FY2004 in April. He pointed out that in many cases tuition goes up in poor economy years in order to offset shortfalls from state appropriations. He acknowledged the negative impact on students, especially those least able to pay. Dr. de Castro commented that tuition increases occur annually anyway. Dr. Henry explained that tuition increases were necessary to cover the 25% unfunded portion of the raise pool.

Ms. Johnston made a motion to set a 5% limit of new funding requests from the colleges and vice presidential areas. Ms. Smith seconded the motion. The motion passed.

Other Business

Dr. Henry stated the Robinson College of Business was interested in establishing a mandatory fee for MBA students. He recommended the projected fee revenues should be incorporated in a differential tuition request.

Dr. de Castro asked about any guidance to colleges and vice presidential areas about funding priorities. Dr. Huss indicated the Senate Budget Committee would discuss recommendations for the FY2004 budget at its November meeting. Dr. Kaminshine commented that the University Strategic Plan and the Action Plan should be sufficient guidance. Dr. Henry echoed that requests should be aligned with the Strategic Plan. Drs. de Castro and Tai noted the Action Plan for FY2004 would not be finalized until December or January. Dr. de Castro observed tenure track positions could be set as a university priority. Dr. Henry spoke for leaving flexibility with deans in this regard.

Prepared by Edgar Torbert
Approved October 23, 2002