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

International Education Fee

Dr. Henry re-opened discussion of the $5 International Education Fee. Dr. Scott reported the Mandatory Student Fee Committee met twice to consider the proposed fee, and the committee voted 10-1 to recommend the fee. Dr. de Castro made a motion to recommend the $5 International Education Fee. Dr. Huss seconded the motion. The motion passed. Dr. Henry thanked the students for their support of the proposal. He noted Chancellor Meredith reacted favorably to the proposal in conversation with Dr. Patton.

Informational Systems and Technology Budget Presentation

Mr. Christenberry presented an overview of the Information Systems and Technology FY2003 budget. He began with a review of the high priority action items for IS&T for FY2003, which were set in consultation with the Senate IS&T Committee. He stated the high priority action items were consistent with the IS&T strategic plan.

Dr. Huss asked about benchmarks for IS&T operations at comparable institutions. Mr. Christenberry referred to the K.C. Green annual national survey on campus computing. He indicated institutional peers as designated by USGa could be extracted from the national survey, but cautioned the data were skewed by varying states of campus networking, software implementation, etc. Dr. Huss asked about customer satisfaction in particular. Mr. Christenberry replied that scorecard techniques for this purpose were under development. Dr. Harris asked about classroom technology. Mr. Christenberry responded that Georgia State was above average in classrooms with instructor workstations, but below average in classrooms with student workstations and in open labs.

Dr. de Castro asked about potential postponements of items on the high priority list. Mr. Christenberry replied that the items crossed departments, and decisions on postponements would require consultation with the affected units. Dr. Fritz commented that the enrollment management items were prioritized and were needed to stay within budget. Mr. Christenberry noted UPS (uninterruptible power supply) was an audit finding, and the Board of Regents had earmarked current year funds for this purpose. Dr. Henry reiterated IS&T intersects other units so that many of its expenditures cannot be isolated.

Mr. Christenberry presented budget summary spreadsheets for each of the eight units in IS&T showing cost details and sources of revenue.
Dr. de Castro asked about the $4M cost recovery revenues for University Computing and Communications Services (UCCS). Mr. Christenberry explained $3.5M of the revenues were for telephone charges, which are passed through to GTA. Dr. Tai observed the telephone rates are very high. Mr. Christenberry acknowledged rates could be reduced 50% by severing connections with GTA, but the state does not presently allow this option.

Dr. de Castro asked about unfilled positions in UCCS. Mr. Christenberry replied all positions were filled with perhaps 3-4 exceptions.

Dr. Harris asked about negotiations to change the GTA arrangement. Mr. Christenberry answered that the Governor had refused a request from the Board of Regents to discontinue telephone service through GTA. He pointed out the University System is a cash cow for state telecommunications. He also expressed hope this issue could be raised again with the incoming administration.

Dr. Harris asked about risk levels for suspending some maintenance agreements. Mr. Christenberry responded that the current agreements were not at the platinum level, with most set for one-day recovery and a few very critical ones at one-hour recovery. He added that expectation levels for maintaining operability were very high across the campus. Dr. Harris asked about savings related to duplicate vendors such as Sun Micro Systems. Mr. Christenberry noted piggyback agreements through the University System which helped reduce costs. He observed having back-up units for certain hardware might be an option, except these become concurrently outdated with the originals. He pointed out in such cases the university cannot resell the old hardware, which must be surplused through the state.

Dr. Henry thanked Mr. Christenberry for presenting the details of the IS&T budget. He noted this was the first such presentation to FACP.

Dr. Huss commented that computing was substantially centralized, but also de-centralized. He raised the question of duplication of services. Mr. Christenberry observed overall computing budgets are typically 1.5 to 2 times the IS&T type unit. Dr. Henry concurred examination of centralized versus de-centralized computing was needed. He cited the example of support for faculty on WebCT.

Dr. de Castro asked about savings from replacement of legacy systems. Mr. Christenberry indicated the first substantial savings would occur when the mainframe was shut down. He cited a figure of $1.5M per year. Dr. Henry reminded that the mainframe was still used for Human Resources. Mr. Christenberry added that there were some academic units still using the mainframe. He also commented that potential savings from new systems already installed had eroded with higher expectations for functionality and keeping up with the technology curve. Dr. Fritz noted Enrollment Services was accomplishing savings through elimination of printed class schedules, and possibly printed catalogs.

**FY2003 Budget Update**

Mr. Rackliffe distributed copies of “Budget Considerations, Fiscal Year 2003” showing an overall
Dr. Henry recommended postponement of action on budget cuts until after spring semester credit hours and Wachovia final negotiations are known. He projected a shortfall significantly below $4M. He reminded that a budget warning had already been sent to the vice presidents and deans.

Dr. Tai asked about the increases in rents for One Park Place and Rialto. Dr. Henry replied that the rent increases had been requested for FY04, but the Board of Regents made them effective January 1, 2003.

Dr. Huss asked about specific communications from the Board of Regents about the FY03 budget cuts. Dr. Henry answered that the “5%” cut would be in two parts: 3% on non-instructional only and 2% on overall, and would amount to $5.5M. He added that the cuts would be permanent base budget cuts compounded by the loss of hold-harmless funds. He also noted loss of $850K in Yamacraw funds and $230K in Special Funding Initiative funds, making the total FY04 loss $10.3M. On the positive side, Dr. Henry pointed out Georgia State would be due $12.2M in workload funds for FY04. He cautioned there were still some unknowns such as insurance costs for the remainder of FY03.

Dr. de Castro expressed concern about whether units were holding back sufficient funds and urged letting units know as soon as possible about their cuts. Dr. Henry responded that he trusted the vice presidents and deans to take measures based on the budget warning to hold back funds. He lamented that this was happening in the same year when enrollments were up, and there should be rewards instead of cuts.

Dr. Adamson commented on the difficulty of holding funds and setting up instruction for the spring semester, which severely affects “wiggle room”. Dr. Henry suggested qualified guidance of $3M in cuts. Dr. de Castro recommended the message should be that cuts of $2M were sure, and maybe more, so that too conservative approaches would not lead to unnecessary layoffs. Ms. Johnston suggested directions to plan for cuts of $2M and have contingency plans for $3M.

Dr. Moore asked about expectations of the Board of Regents as to how cuts would be implemented. Dr. Henry responded that the Board of Regents wanted institutions to maintain credit hour production.

Dr. Henry distributed a spreadsheet showing three methods of applying the percentage holds/cuts to budget units: (1) straight 5% to all budgets; (2) 3% to non-instructional budgets plus 2% to all budgets; and (3) 5% to non-instructional budgets. He explained method (1) was provided only for comparison of effects, and invited discussion of methods (2) and (3).

Dr. de Castro stated he had proposed method (3) in order to ensure ability to grow out of the budget deficit by producing more credit hours. He commented that reduction of academic budgets would adversely affect credit hour production by reducing part-time instructors. Dr. Henry pointed out unmet demand funds had been front-loaded to avoid this problem. Dr. Adamson clarified that
cuts would hurt graduate student support. Dr. Fritz noted revenues produced by graduate teaching assistants far exceeded costs. Dr. Adamson advocated an approach between methods (2) and (3).

Ms. Johnston urged that the whole pipeline for attracting students be considered. She also noted the need to protect the research enterprise and to avoid downgrading facilities. Dr. Tai commented that credit hour production would be hurt by reducing graduate assistants and in turn the number of lab sections which Biology could offer. Dr. de Castro pointed out that the cuts to date had been absorbed less painfully because of protecting credit hour production in prior years.

Mr. Rackliffe cited comments on travel budgets made at Board of Regents level. Dr. Moore responded that travel budgets had already been spent in some cases, and there would be an equity problem with early versus late travel. He also noted efforts to obtain external funding hinged on travel.

Dr. Huss suggested a re-look at non-academic areas to arrive at a level of cuts between methods (2) and (3). Dr. Henry commented that each of the vice presidential areas could make a strong case that budgets were tight. Ms. Hurt added that the library would be in the same position. Dr. de Castro observed that all units need more, not less, and that cuts would inevitably hurt.

Ms. Johnston made a motion to recommend taking the midpoint between methods (2) and (3). Dr. Tai seconded the motion. The motion passed.

Prepared by Edgar Torbert
Approved ________