Members Attending: Shelia Bradley, Sid Harris, Ron Henry, Fenwick Huss, Fred Jacobs, Charles Louis, Jerry Rackliffe, P.C. Tai

Others Attending: Lauren Adamson, Charlene Hurt, Steve Kaminshine, Robert Moore, John Neal, Edgar Torbert

Minutes of November 5 were approved as presented.

Mr. Rackliffe handed out a spreadsheet, “Budget Considerations, Fiscal Year 2004”. He explained tuition and fee revenues were approximately $2M below budget due to the plateau effect, graduate assistant waivers, and the accounts receivable change allowing write-offs up to $3,000. Dr. Huss asked about the total of accounts receivable. Mr. Rackliffe answered that the multi-year, accumulated amount was approximately $1M and pointed out the change from immediately removing students from classes for which they had not paid. He noted the anticipated 2.5% reduction in the state allocation would very likely occur when the legislature convened in January. He added that no additional FY2004 cuts were mentioned at the November 18-19 meeting of the Board of Regents. Dr. Henry cautioned that state revenue projections were still in question, and there were rumors of another 2% reduction for FY2004. He remarked that this would probably be settled in January. He recommended that the voluntary 1% hold on departmental budgets continue as a cushion against any additional reduction. Mr. Rackliffe stated that the net for these revised FY2004 revenues and complete expenditure of all FY2004 departmental budgets would be a shortfall of $6.1M.

Mr. Rackliffe explained that traditional off-budget needs had been covered for FY2004 with unmet demand-earmarked allocations in the original budgets of the colleges, the continuing budget for Banner (GoSOLAR) support, and the July 2003 funding of the FY2004 end-of-year allocation for library acquisitions. He outlined possible sources totaling $6.6M for covering the $6.1M shortfall. He reminded that the Wachovia rental delay source reflected budgeting a full year of rent while only a partial year would be needed in FY2004. He noted the lower fringe benefit savings than in prior years due to the health insurance hike to take effect January 1, 2004. He also noted the $2.1M FY2004 allocation to the colleges held by the Provost with the understanding recruitment against these allocations would proceed for FY2005 hires. Mr. Rackliffe projected a possible surplus of $482K.

Dr. Harris asked about proceeding with FY2005 hires. Dr. Henry expressed confidence that the colleges could hire against vacant positions and their share of the $2.1M FY2004 allocation. He warned that formula (workload) funding for FY2005 would be a tougher sell to the legislature than in previous years, but would probably be allocated. Mr. Rackliffe and Dr. Henry explained that OPB was questioning the actuality of budget reductions for the University System when formula funding essentially offset those reductions. Mr. Rackliffe outlined an explanation to OPB splitting the continuing base budget and workload components. Dr. Henry remarked that funding per credit hour was a clear indicator of the reductions.

Dr. Henry invited discussion of the document, “RFP – Potential areas of focus, November 14,
2003.” He pointed out the statement that FACP would establish a process for reviewing proposals and indicated this would be pursued at a subsequent FACP meeting. Dr. Adamson asked about the $2-4M range for proposals and in particular the acceptability of proposals for lesser amounts. She mentioned an example of a potential proposal pertaining to international studies, which might be a designated focus area, but would be over-budgeted in the $2-4M range. Dr. Henry explained that the $2-4M range had been derived from the arithmetic of dividing projected funds to be redirected by a projected number of focus areas. He added that the proposals were envisioned to include graduate student support and library acquisitions as well as faculty positions, etc. He did not rule out proposals for lesser amounts. Dr. Kaminshine noted the document lightly referenced inter-college/departmental proposals. Dr. Henry reaffirmed the expectation that proposals would be interdisciplinary crossing departments and/or colleges. Dr. Adamson asked about intersections of proposals with action plans citing an example of a faculty position in world history in the action plan for that department, which might be part of an international studies proposal. Dr. Henry responded that inclusion of such a position in a proposal might result in quicker funding given the backlog of action plan items awaiting new funds. Dr. Louis asked about the possibility of “sunset” allocations; i.e., limited term allocations for start-up costs, seed-money, etc. Dr. Henry replied that this had not been part of the original thinking about the focus area proposals, which were for redirection of continuing funds, but could possibly be incorporated for one-time expenditures. Ms. Hurt offered the assistance of library staff to those developing focus area proposals.

Dr. Henry directed attention to the document, “Quality, centrality, viability, and comparative advantage of programs, centers, and activities, November 14, 2003.” He first outlined the process for determining programs and centers for additional examination by the FACP teams of faculty and administrators. He explained that centers included formal centers and institutes by Board of Regents definition (e.g., Gerontology Center) plus other budgetary centers (e.g., GLACTONE). He noted there were approximately as many centers as academic departments. He pointed out that the initial step would be for the deans in consultation with their department chairs and/or faculty to identify programs and centers in their colleges, which were rated low or low-medium in at least one of the four criteria: quality, centrality, viability, comparative advantage. Dr. Adamson commented that evaluation of centers in another college would be very difficult for a dean, so it was reasonable to have deans evaluating their own, but would leave questions of consistency. Dr. Henry stated trust in the deans to do a thorough job and present the information so that the FACP teams could make fair recommendations. He noted this approach would allow the process to flow more efficiently than having a review of every program and center. Dr. Huss observed that in some cases viability and quality might be counter-forces. He referred to a program with very high admission standards having a small number of students while a program with lower standards has a large number of students. Dr. Henry commented that this would be sorted out by FACP and the FACP teams, and reiterated that a low rating on one criterion would not automatically trigger investment or reduction or elimination. Dr. Henry noted that in some cases centers were not budgeted per se or had very small budgets, and these would not be prime targets given the objective of redirecting $12-14M.

Dr. Henry observed that the lists of activities submitted by the vice presidents and deans had not produced an obvious set of targets for review. He commented that all of the activities listed would be expected at a large university, but there were duplications (centralized and decentralized) which might suggest the need for greater coordination; e.g., public relations, fund-raising, student advisement. He conceded that savings from such coordination would be minimal. Dr. Henry
suggested that comparisons of costs for such activities at like institutions would be helpful, although available data tended to be at the macro level. He cited comparisons, which showed Georgia State high in student support and institutional support. Dr. Adamson commented that student support figures for Georgia State might be skewed by the large number of active students (approximately 40K) versus the number of students enrolled for a particular semester (approximately 28K). Dr. Harris asked about the composition of institutional support. Mr. Rackliffe listed some areas: president, finance and administration, administrative computing, etc. He characterized institutional support as infrastructure. Dr. Henry noted that separating administrative and academic computing was one of the complicating factors in looking at institutional comparisons. Dr. Jacobs asked for clarification of the modified zero-based budgeting statement about “a skeletal level of 90%.” Dr. Henry explained that this was a convention to get unit heads to prioritize activities as to what they would continue with only 90% of their current budgets and then what would be placed in decision packages of 5% and/or 10% above the 90%. He acknowledged that this approach was more like a scattergun than a rifle, of which the latter would be preferred. Ms. Hurt reminded that the Senate Library Advisory Committee should be included among the committees to be involved in the review teams. Dr. Harris asked about protection of student-related components of the budget given the observation about relative costs of student support. Dr. Henry replied that minimizing impact on services to students would be in line with guidance from the Chancellor. Dr. Huss reiterated concern about operationalizing the quality criterion. He observed that measures were varied among disciplines and across departments and colleges, and would be difficult to normalize in making university-level decisions. Dr. Adamson asked about the format for focus area proposals. Dr. Henry replied that a format was forthcoming and would be shared with FACP prior to distribution in early December.

Prepared by Edgar Torbert
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