The minutes of May 12 were approved.

**FY2005 Allocations**

Mr. Rackliffe distributed a spreadsheet, “Budget Considerations, Fiscal Year 2004-2005” showing revenues, expenditures, targeted funding, and budget model adjustments with a net of $4.4M. Ms. Jones and Mr. Rackliffe gave brief explanations of each line of the spreadsheet (highlights follow).

Ms. Jones noted the projected decrease of $2M in the base student fees (before tuition increases) took into account bad debt and the tuition plateau. Mr. Rackliffe pointed out the $13.3M in new workload (formula) funds was supplemented by $866K in performance factor funds, $836K in a strategic allocation of BoR share of workload funds, and $1M in a strategic allocation to research universities for quality enhancement. Ms. Jones explained the $3.8M reduction in state appropriations due to the payroll shift from June 30, 2005 to July 1, 2005. Mr. Rackliffe stated student fees would again be over-budgeted by $2M but not available to spend unless it materializes. Dr. Henry cautioned against expectations of major enrollment increases to boost student fee revenues.

Dr. Huss asked about the $1.4M increase in utilities, rents and insurance. Mr. Rackliffe answered that the City of Atlanta water bill alone was up $600K. He added that rents would account for another $500K and bank service charges for students paying with credit cards were also up. Dr. Adamson asked if the bank service charges could be passed through to students. Mr. Rackliffe replied that VISA would not allow this since it would be discouraging of credit card use.

Dr. Henry distributed a spreadsheet showing his funding recommendations based on discussions of the previous meeting and accumulated totals of actual requests. He noted adjustments to the funding model for libraries, IS&T, development, and science research building. Dr. Tai questioned the slight increases for academic units from the $1M adjustment to the model. Dr. Henry replied that the $1M went to libraries ($400K), the science research building ($400K) and the research office ($200K).

Mr. Rackliffe pointed out the “Budget Considerations” worksheet differed by $200K from the spreadsheet distributed by Dr. Henry because of a double count of the Water Policy Center funds, with the $200K being additional funds to be allocated.

Dr. Kelley observed that the Robinson College of Business and the College of Health & Human Sciences had been allocated fewer funds than shown on the original model. Dr. Henry responded
that this was due to balancing against specific items requested. Dr. Adamson commented that the deans had had flexibility in the past with the allocations so that the specific items were less critical to the break points. Dr. Henry agreed the deans had had flexibility, for example to react to unsuccessful searches.

Dr. Tai spoke of surprise that the $1M was not allocated proportionately across all units; i.e., 25% above the allocations indicated by the original model. Dr. Henry replied that this could not be done and address the library issue as well.

Dr. Hudson suggested the extra $200K could be used to increase the allocations to the two colleges falling below the model.

Dr. Huss asked about the recommendation to increase the science research building allocation from $1.1M to $1.5M. Dr. Henry replied that the $5.5M fund source for the science research building may be needed in four years rather than five. Mr. Rackliffe added that this would be the last year with a major boost in workload dollars. Dr. Harris asked about the expected return on the $1.1M or $1.5M. Mr. Rackliffe explained that the funds would be used each year in the interval for renovations with the total amount building up as the funds are continuing. Dr. Henry added that the funds would be used for renovating the space vacated in Urban Life and the College of Business buildings by the Andrew Young School of Policy Studies and for infrastructure upgrades thereafter.

Dr. Tai questioned the split in new funds between academic and support units and asked about the overall budget of the university in this regard. Mr. Rackliffe responded that the university budget was 60-40 academic over support.

Dr. Henry suggested adding $25K each to the Robinson College of Business and the College of Health & Human Sciences to bring them up to the original model and using the residual of the extra funds for unmet demand.

Dr. Hudson noted the University System problem with the cost per credit hour produced.

Dr. Adamson proposed an extension of health insurance assistance for GTAs across the university. She noted the pilot project allocated $500 or $1,000 per student provided they were not still dependents and were the teachers of record. She added that it was reasonable to cover insurance costs partially since regular employees also pay a portion of their insurance cost. Dr. Adamson pointed out international students were already covered for the most part, so that the target was mainly domestic graduate students. Dr. Huss asked about extending the program to graduate students, who are not GTAs. Dr. Henry noted there would be an equity issue in opening the program to various groups of graduate students. Dr. Kelley advocated letting the pilot project run its course before expanding the program. Dr. Henry commented that the larger problem was the number and value of graduate stipends.

Dr. Tai made a motion to recommend the allocations proposed by Dr. Henry with modifications: (1) to bring all the colleges up to at least the amounts of the original FACP model, (2) to park any excess funds in unmet demand, and (3) to investigate further health insurance for graduate students. Mr. Rackliffe seconded the motion. The motion passed.
**Areas of Focus**

Ms. Hurt distributed criteria and scoring summaries for the areas of focus reviews. She noted the review committee had not been asked to recommend which proposals should be funded or for how much.

Dr. Huss asked about when the scoring occurred. Ms. Hurt replied that there were two rounds of scoring, before and after the Q&A sessions. Dr. Alm clarified that the first round of scoring included all members of the review committee.

Dr. Huss asked about the “bang for buck” concept. Ms. Hurt answered that the concept was addressed in terms of how a relatively small amount of new dollars could achieve national or international recognition.

Dr. Tai thanked the review committee for its work.

Dr. Kaminshine questioned the strong statements in some of the reports about the bang for buck. Dr. Romski replied that the committee had wrestled with issue of whether the numbers cited reflected actual bang for buck. She indicated the committee had relied to some extent on the alignment between management plan and budget in making these determinations. Dr. Edwards pointed to the criterion pertaining to national or international reputation, which called for measures. Ms. Hurt acknowledged that all of the proposals would enhance the reputation of the university. Dr. Huss asked if a distinction were made between national prominence and moving to a higher level. Ms. Hurt responded that these were equivalent with all proposals building on existing strengths.

Dr. Alm commented that initially the review committee was discouraged from using a points system and took a broader, holistic view of the proposals.

Dr. Kaminshine voiced surprise that the risk management proposal was singled out as one not to pursue. Dr. Henry replied that it would not be appropriate to discuss at this time.

Dr. Adamson commented that the review committee had been given an extraordinarily difficult task in determining how much weight to give to what. Dr. Henry added that the initial cycle would be instructive as to what would be better questions to ask in the future.

Dr. Edwards noted enthusiasm in the review committee for all of the proposed areas of focus. He characterized the task as determining which areas were ready to proceed immediately. Ms. Hurt reiterated that the criteria were not scientific. Dr. Alm expressed the willingness of the committee to continue discussions about the criteria. Dr. Huss observed conflicts between the criterion of building on strengths and some highly rated proposals addressing current absences of strength.

Dr. Tai made a motion to accept the report of the review committee. Dr. Kelley seconded the motion. The motion passed.

Dr. Henry outlined the availability of funds for the areas of focus as follows: $2.2M in FY2005, $3.3M in FY2006 and $4.4M in FY2007.
Dr. Kelley spoke in favor of funding 2 or 3 areas of focus in order not to dilute the impact. Dr. Hudson agreed and noted that enhancing perception by Board of Regents members and staff of Georgia State as a research university was still an issue. He added that the first three areas of focus as ranked by the review committee had foci to build on and potential to crack through the wall of lesser perceptions. Dr. Kaminshine concurred, but suggested nominal funding for other areas in order to encourage further development of those proposals and build on synergies discovered through the process.

Dr. Moore noted the first three areas of focus had proposals for a total of $10M, which would mean approximately 50% funding if all were pursued. He suggested funding only one area in FY2005. Dr. Henry added that another option would be to commit $5.6M in future funds. Dr. Moore commented this would be a big bet with funds we do not have.

Dr. Huss noted that only the first area of focus received unanimous support. Dr. Adamson responded that several areas received strong support and that it would be difficult to go from 7 to 1. She asked if the funding decision at this point would be a multi-year action plan or proposals would be received annually. Dr. Henry suggested the decision would be for the first year only with no guarantee beyond. Dr. Tai expressed agreement with the first year only approach and spoke in favor of $2.2M for the first three areas of focus.

Dr. Kelley recommended committing funds for 2 years and then evaluate progress. Dr. Tai reiterated the importance of evaluating progress, but annually instead of after the second year.

Dr. Moore again voiced disagreement with funding 3 areas noting the on-going backlog of unfunded departmental action plans and the prospect of getting results proportional to partial funding. Dr. Tai added that it would be demoralizing to proceed with only $4.4M when the original target had been $12M. Dr. Moore suggesting waiting 3 years to fund areas beyond the first so that it would be clearer what funds would be available from further redirection or new funds.

Dr. Hudson questioned going with only one area of focus and becoming too narrowly focused. He observed the urban health area was a good bet, but not the only bet. He also pointed out some unity among the first three areas.

Ms. Hurt commented that all proposals were for more than 1 or 2 years of funding and that by voting for all three $10M would be the cost to complete. Dr. Tai replied that this approach was common with action plans, and that the $7M was now available for FY2005 when it seemed as though no new funding would be available a few months earlier.

Dr. Adamson remarked that there was synergism among the three areas with an opportunity to make a mark for Georgia State. She noted thematic consistency. She pointed out that future funding was not being guaranteed without review.

Dr. Moore cautioned that in 2 years there might be a necessity to trim from 3 areas to 2 areas or even one, which could leave the university with very good programs instead of excellent programs in these areas.

Dr. Harris thanked the review committee for its work. He summarized the funding issue as finding
a comfortable level for committing the university over the next 3-5 years. Dr. Fritz added that it was also important to consider what would drive the university to next plateau, 1, 2 or 3 areas. He noted that the review committee was not charged specifically to do such an assessment and that the report did not give guidance on this point. Dr. Huss repeated that the committee had been unanimous on only the first area.

Dr. Tai stated that the process had begun with a $12M target and the anticipation of 3 or 4 funded areas. Dr. Henry acknowledged this had been the initial objective, but that it had been a struggle to reach even $4.4M from redirection alone, which did not bode well for obtaining an additional $7.6M.

Dr. Adamson suggested that budgets for the areas could be revamped to see what could be accomplished with lower levels of funding now that $3-4M did not appear likely for each area.

Dr. Fritz concurred with Dr. Huss that the urban health area had the strongest support from the review committee, but questioned how that proposal would be damaged by partial funding. Ms. Hurt commented that the review committee felt that the urban health budget was austere from the start.

Dr. Huss made a motion to recommend $2.125M for the urban health area of focus. Dr. Harris seconded the motion.

Dr. Tai raised an objection to taking the areas one at a time. Mr. Rackliffe asked if the motion intended 100% funding of urban health and then the remainder to go to other areas. Dr. Huss clarified that the motion was for funding for urban health only for the first year only.

Dr. Hudson spoke against the motion as too narrow. Dr. Tai agreed the focus would be too narrow and observed the urban health group did not yet exist. Dr. Henry observed that funding all 3 areas of focus would still result in a relatively narrow focus since all were in the sciences. Dr. Hudson responded that it was recognized that the humanities, social sciences, business, etc. would be asked to sacrifice to pursue these objectives.

Dr. Harris suggested that in light of the consensus on the first area that it should be funded fully and then contingent commitments made to some number of additional proposals.

Dr. Adamson commented on the tremendous amount of work already in progress. She noted that some groups not even in the final 7 had benefited from the process bringing together. She stated doubt that consensus could be expected for all, but noted these were strong proposals with a lot of support.

Dr. Kaminshine commented that the pressure to review the original intent to fund multiple proposals was driven by funding issues. Dr. Tai responded that redirection could not supply $12M, but there was still the question of what to do with the remainder of first year available funds. Mr. Rackliffe asked what would happen if the funds were not available in future years. Dr. Hudson replied that this was an annual process which would take into account progress and availability of funds. Mr. Rackliffe urged that the minutes reflect this understanding of the current FACP.
Dr. Hudson offered a substitute motion to allocate $418K to the urban health area in FY2005 and then a proportional amount of the remaining funds to the second and third areas and revisit each year for the latter two areas. Dr. Tai seconded the motion.

Dr. Adamson cautioned that mid-year hires would double the financial obligation for those positions in the subsequent years.

Dr. Henry urged investing in such a way to raise the reputation of the university. He reiterated the consensus on urban health and advocated agreeing to fund this area at $2M of the $4.4M available over 3 years. He further advocated using the remaining $1.7M in FY2005 funds to invest in 3 or 4 other areas without guarantees for subsequent years. He noted there would be action plans and other university priorities to address as well in those years.

Dr. Kaminshine asked if there was a logical break between the third and fourth ranked areas of focus. Dr. Henry indicated there was not. Dr. Kaminshine commented that adding the fourth area to the mix would extend the effort beyond the sciences.

Dr. Tai voiced support for the motion made by Dr. Hudson and clarified by Dr. Henry. Dr. Huss asked for explanation of the funds available for the second and third areas of focus. Dr. Henry answered that $2.1M for urban health would be off the table with the remaining $2.3M for other areas over the duration. Ms. Hurt pointed out the proposals would be changed under these conditions.

Dr. Henry restated the motion as follows: (1) to fund urban health area at $418K in FY2005 and the FY2005 balance of $1.7M to the molecular basis of disease area and the brains and behavior area; (2) to fund the urban health area in FY2006 and FY2007 to the full level of $2.1M and the balance of $600K between the other two areas. The motion passed.

Mandatory Fees

Dr. Henry reported the Board of Regents had initially approved $15 of $35 requested for the library fee, $1 of $3 for the athletics fee and $1 of $3 for the transportation fee. He indicated that the library fee would be approved in full at the next meeting.

Prepared by Edgar Torbert
Approved September 15, 2004