FISCAL ADVISORY COMMITTEE TO THE PRESIDENT
Minutes of November 16, 2005


Others Attending: David Bottoms, Bill Fritz, John Haberlen, Beth Jones, Steve Kaminshine, Mary McElroy, Fred Mote, Yi Pan, Bill Prigge, Hazel Scott, Edgar Torbert, Marilyn Tyus

The minutes of October 12 were approved.

Student Technology Fee

Mr. Albert presented a proposed increase in the Student Technology Fee (STF) from $75 to $100 per semester. He noted Mandatory Student Fee Committee student support for the increase hinged on reinstatement of the printing allowance, which would be taken off the top of the increase. He added there were other off-the-top allocations, such as the Alpharetta Center and Brookhaven Center computer labs.

Dr. Hudson asked about the origin of the off-the-top allocations. Mr. Albert replied that in the case of the Alpharetta Center, the computer lab had been funded that way from its inception. Dr. Henry added that general labs were a legitimate use of the STF funds according to the Board of Regents.

Dr. Huss asked about the Digital Aquarium. Mr. Albert responded that the Digital Aquarium was a high-end, digital multi-media lab, which was extremely popular with the students.

Dr. Hudson asked how the $4.5M base revenues from the STF would be spent. Dr. Henry answered that the STF Committee would decide on those expenditures through the annual proposal process. He added that the revenues from the increase in the STF would go toward the off-the-top items with the remainder left to the STF Committee to award.

Dr. Alberto commented that the previous meeting had focused on reducing fees for students taking fewer than six credit hours in contrast to raising fees as proposed at this meeting. He expressed concern about increasing the STF without knowledge of how the base revenues of $4.5M would be spent.

Dr. Henry noted that STF funds would be needed for replacing outdated equipment already purchased with previous STF allocations as well as for new initiatives. Dr. Rackliffe asked about the adequacy of the $4.5M to meet fundable proposals. Mr. Albert replied that none of the proposals were funded fully for FY2006 and that the total requests exceeded $8 million.

Dr. Henry advised that other institutions in the University System were proposing $100 STFs and had been so encouraged at the system level. Dr. Hudson pointed out that the Board of Regents had on the other hand been concerned about the rise in fees overall.

Dr. Huss asked which fees would be prorated for part-time students. Dr. Rackliffe replied that all mandatory fees would be prorated. Dr. Alberto asked when proration would take effect. Dr. Henry
replied the effective date would be summer 2006.

Dr. Alberto asked about the expiration date of the Library Transformation Fee (LTF). Dr. Rackliffe responded that the LTF would expire in 2016 upon full payment of the bonds.

Dr. Henry reminded that the students had voted in favor of the increase in the STF through the Mandatory Student Fee Committee and the Student Government Association. Dr. Hudson remarked that the Student Government Association was comprised of undergraduates. Mr. Albert added that students play an integral role in the allocation of the STF funds.

Dr. Huss asked about the STFs at the University of Georgia and Georgia Tech. Dr. Henry replied that those institutions were requesting $100.

**Athletic Fee**

Ms. McElroy presented a proposal to raise the Athletic Fee (AF) from $102 to $142 per semester. She noted that athletics was a major stage to expose Georgia State to the nation. She pointed out that the increase would enable a reduction of the cumulative deficit in FY2007 and would allow establishment of a reserve for replacement and repair of aging facilities in subsequent years. She added that football would be addressed by a feasibility study in spring 2006.

Dr. Tai asked about the previous increase in the AF. Dr. Henry answered that the fee was increased from $82 to $102 this year, which did not fully cover the costs associated with entry to the Colonial Athletic Association or the cumulative deficit.

Ms. McElroy stated intent to rely on other funding sources for future increases in the athletic budget, including increased alumni support. She indicated that the proposed fee would be typical of AFs at other Division I-AAA (Division I-no football) universities, but still one of the lowest in the Colonial Athletic Association.

Dr. Tai asked which sports were included in the Colonial Athletic Association membership. Dr. Henry responded that all the men’s and women’s teams would compete in the Colonial Athletic Association.

Dr. Alberto pointed out that the charts provided with the AF proposal for institutional comparisons did not identify the universities for each entry. Dr. Henry explained that while the survey used had not allowed identification of individual institutions, the football universities were shown in a lighter gray for comparison purposes. Ms. McElroy added that Georgia State was in the middle of the pack with respect to the number of teams fielded.

Dr. Hudson asked for more information concerning the exploration of starting football. Ms. McElroy replied that a feasibility study would be undertaken in spring 2006 at a cost of $50K to determine cost, student interest, alumni support, etc.

Dr. Alberto asked about anticipated funding for football. Dr. Henry stated that football could not be financed on the backs of students. Ms. McElroy reported that start-up costs would be in the range of $6-8M and continuing costs based on information from Georgia Southern and James Madison...
would be in the range of $1.8-2.0M.

Dr. Alberto asked where conversations would occur regarding approval of football. Dr. Henry replied that there had not been discussion of process, but that FACP had to be involved. He added that there were many issues to be explored including the question of Division I-A versus Division I-AA. Dr. Morris noted additional issues concerning Title IX. Ms. McElroy reiterated that the feasibility study was only the first step in the process.

**General Discussion of Mandatory Fee Increases**

Dr. Hudson voiced opposition to increasing fees because of distancing from fees at other institutions to which Georgia State is losing students. Dr. Tai echoed this point relative to Kennesaw State in particular.

Dr. Rackliffe pointed out that in the case of athletics the expenditures would occur regardless, with the fund balances of other fees covering in the meantime, but eventually having to face a fee increase. He noted that athletics had stepped up fund raising efforts, and the Mandatory Student Fee Committee had voted 17-0 for the AF increase.

Dr. Alberto observed a need for broader discussion relative to the loss of students and the level of fees at the University of Georgia, Georgia Tech, Kennesaw State, and West Georgia. Dr. Rackliffe responded that the prorated fees for part-time students had addressed a large segment of the lost students. He stated approximately 70% of the drop in students was for those taking only 3 credit hours. Dr. Huss stated he was satisfied that the prorated fee would help.

Dr. Alberto expressed concern that some students would drop from two courses to one in order to avoid paying the full fees. Dr. Henry agreed there could be some loss of credit hours initially, but pointed out the extension of time to graduate would lead most to resume taking two or more courses in subsequent semesters.

Dr. Kaminshine commented that the programs and services supported by the mandatory fees figured in decisions by students to enroll. He noted that unlike Georgia and Georgia Tech, Georgia State had had to build from very low levels of such amenities for students.

Dr. Tai asked about the impact on revenues of the prorated fees. Dr. Rackliffe replied that the estimated impact was 3.4%. Dr. Henry added that if more part-time students were attracted by the lower fees, the net loss could be smaller.

Dr. Tai asked if the technology fee budget was out of balance. Dr. Henry responded there was no deficit, but that additional funds were needed to continue support for open labs at Alpharetta Center and the Brookhaven Center and to replace equipment bought with technology fees some years ago and now outdated as well as to address new projects.

Dr. Hudson spoke against a 33% increase in the technology fee budget at the same time the general budget would be cut. He noted many faculty did not know how to use the technology. Dr. Henry responded that students expected the latest technology. Mr. Albert added that all the new funds could be used to meet the demand of students just for wireless connectivity. He added that
technology was a key factor in maintaining student enrollment. Dr. Hudson questioned how guaranteeing retention could be linked to technology. He observed that the computer lab proposal from the History Department did not seem related to student admission decisions. Dr. Kelley cautioned against falling further behind in technology.

Dr. Kaminshine pointed out that the technology fee was budget relieving in the sense of freeing the university from spending regular budget dollars for essential technology. He noted the value of these savings in tough budget times.

Dr. Huss made a motion to approve both the Student Technology Fee (STF) and Athletic Fee (AF) increases as presented. Dr. Kelley seconded the motion. Dr. Henry called for separate votes. The motion for STF passed 5-3. The motion for AF passed 6-2.

Housing Fees

Dr. Scott presented a package of housing fees for the GSU Village and the Lofts with room rate increases averaging approximately 4% for the GSU Village and less than 1% for the Lofts.

Dr. Tai asked if students already living in student housing had to pay the application fee, which was proposed to increase 40% from $25 to $35. Ms. Tyus replied that it was an annual fee, since students were not guaranteed housing year-to-year and had to apply annually. Dr. Scott added that demand for housing was high and in order to have rooms for freshmen, others had to be displaced. She indicated that returning students participated in a lottery for the awarding of rooms, with only University Scholars guaranteed rooms. Dr. Henry commented that the shortage of rooms might change with the opening of the Piedmont-Ellis housing complex.

Dr. Alberto asked about the difference between the GSU Village and the Lofts in terms of policies. Dr. Scott replied that in the GSU Village all rooms were the same, but in the Lofts there were several different room set-ups. Dr. Henry suggested the question might be with regard to rules. Dr. Scott and Dr. Fritz answered the rules were the same for both except for guaranteeing University Scholars rooms in the Lofts for four years. Dr. Henry added that the guarantee was initially tied to the difficulty of filling the Lofts, which was no longer an issue.

Dr. Huss questioned having guarantees, when there was a waiting list. Dr. Morris commented that the guarantees were an important part of the package to attract University Scholars.

Dr. Fritz pointed out that students object to paying the application fee after the first year because of the uncertainty of getting a room. He suggested a larger first-year only fee. Dr. Scott responded that the higher fee would be unfair to students participating in the lottery rather than having guaranteed rooms.

It was agreed to remove the proposed application fee increase from the package and to have e-mail vote on a revised application fee proposal. [The revised proposal of a one-time $35 fee passed on an e-mail vote.]

Dr. Hudson made a motion to recommend the housing fees as proposed. Ms. Rupp seconded the motion. The motion passed.
College of Law Differential Tuition

Dr. Kaminshine presented a proposed College of Law differential tuition of $20 per credit hour for in-state and out-of-state students. He noted the increase would still keep Georgia State low among primary competitors.

Dr. Tai asked for clarification of where the revenues from the differential would go. Dr. Henry replied that the Board of Regents required differentials to go to the college. Dr. Morris added that differentials were limited to professional programs.

Dr. Hudson made a motion to recommend the College of Law tuition differential as presented. Dr. Kelley seconded the motion. The motion passed.

Applied Music Fees

Dr. Haberlen presented a proposal for applied music fees of $150 per semester for one-hour lessons and $75 per semester for half-hour lessons. He noted the fees were dropped several years ago, because other universities did not have the fees and the revenues did not go to the School of Music. He explained that most universities now had the fees, and that the funds would help pay for additional PTIs to deliver applied music instruction rather than be budget relieving.

Dr. Kelley asked about the impact on students. Dr. Haberlen indicated for most music students, applied music fees would be $150 per semester. Dr. Henry commented that the fee was modest at only $10 per hour of actual instruction.

Dr. Tai made a motion to recommend the applied music fees as proposed. Dr. Rackliffe seconded the motion. The motion passed.

Prepared by Edgar Torbert
Approved January 18, 2006