Members Attending: Paul Alberto, Al Baumstark (for P.C. Tai), Paul Farnham, Ron Henry, Hugh Hudson, Steve Kaminshine (for Fenwick Huss), Adam Lyons (for Joan Collier), Phillip Mitchem, Robin Morris, Jerry Rackliffe

Others Attending: Lauren Adamson, Ron Colarusso, Dean Dabney, Bill Fritz, Charlene Hurt, Edgar Torbert

The minutes of August 23 were approved.

Enrollment report

Dr. Fritz distributed tables showing fall semester 2006 enrollments of 26,100 students and 307,800 SCHs.

Dr. Henry pointed out that SCHs were approaching the record of 310,400 when 28,000 students enrolled in fall semester 2003, which had been a significant challenge to accommodate with faculty, classrooms, etc. He noted the need to invest funds to teach such numbers of SCHs and to provide services.

Budget report

Dr. Rackliffe distributed a series of handouts pertaining to tuition revenues, budget considerations, etc. He pointed out in-state tuition revenues were $1.7M above the FACP planned in-state tuition revenues for the summer and fall semesters, and out-of-state tuition revenues were $0.5M above the planned. He called attention to significant increases in Arts & Sciences and Health & Human Sciences graduate SCHs and students taking 1-to-3 SCHs or 6.5-to-9 SCHs. He noted a projected continuing budget shortfall of $5.1M and additional obligations for STL and library acquisitions of $5M. He identified potential balancing sources of $11.9M against the $10.1M overall shortfall. He suggested using any residual to purchase an affordable property such as 41 Marietta Street to free up space in Classroom South for classrooms and provide additional offices.

Dr. Morris asked about assumptions for spring semester SCHs projections. Dr. Fritz confirmed 95% of fall semester SCHs as the historically consistent projection.

Budget information for Board of Regents

Dr. Rackliffe distributed a series of handouts pertaining to requests for budget information from the Board of Regents. Dr. Alberto asked if the budget detail tables were to show budgeted or expended amounts. Dr. Rackliffe answered that these tables would show original budget amounts. Dr. Henry added that expended amounts would also be collected quarterly. Ms. Hurt commented that the original budget amounts would make the library budget look bad. Dr. Henry agreed that this approach would present the library as underfunded.

Dr. Henry explained the handout pertaining to requested FY2008 graduate tuition rates as
necessary since the traditional 20% above undergraduate tuition rates approach would be
confusing with guaranteed tuition rates for undergraduates. Dr. Rackliffe explained that Option A
(based on rates for non-guaranteed students) would yield lower rates than Option B (based on
rates for guaranteed students).

Dr. Adamson asked about the percentage of graduate students with waived tuition (e.g., GRAs) for
whom a rate change would be inconsequential. Dr. Henry replied a very high percentage of MBA
and MEd students pay tuition. Dr. Colarusso added that in the case of competition for MEd
students, local competitor-institutions already have much lower rates.

Dr. Alberto asked about the potential impact on the budget of increases in graduate tuition. Dr.
Rackliffe replied that increased revenues would be largely absorbed by the 25% institutional shares
of salary increase pools and OMP. He observed that the more important issue was elasticity of the
market.

Dr. Henry commented that additional revenues were needed and that indications were that UGA
and Georgia Tech would increase their rates (i.e., going with Option B). Dr. Alberto cautioned that
Kennesaw State was the greater competition locally for the College of Education and the Robinson
College of Business. Dr. Rackliffe pointed out that in the case of the MBA, the rate increase would
be in the range of only $150.

Dr. Kaminshine asked about the term of the tuition rate changes. Dr. Rackliffe responded that the
process would be repeated annually.

Dr. Rackliffe reviewed the instructions for requests for new funds for FY2008 and the priorities
listed by the Chancellor. He pointed out that there were only three weeks to respond and that the
budget meeting with the Board of Regents staff would be December 1 instead of in January or
February.

Critical processes/activity-based costing

Dr. Henry reported initiation of pilot studies for graduate admissions and undergraduate
recruitment-admissions-financial aid utilizing Lean 6 Sigma expertise of faculty in the Robinson
College of Business. He explained that the “lean” aspect related to elimination of roadblocks and
non-value added steps. He emphasized that the objective was not to decrease personnel, but to
make processes easier to use. He added that Ms. Jones would be conducting a similar pilot for the
personnel effort reporting system.

Prepared by Edgar Torbert
Approved October 25, 2006