FISCAL ADVISORY COMMITTEE TO THE PRESIDENT
Minutes of November 10, 2010

Members Attending: Paul Alberto, Amber Amari, James Dutton, Hugh Hudson, Steve Kaminshine, Susan Kelley, Risa Palm, Jerry Rackliffe, P.C. Tai

Others Attending: Lauren Adamson, J.L. Albert, Farrah Bernardino, Doug Covey, Michael Eriksen, Matt Gillette, James Greenwell, Fenwick Huss, Beth Jones, Cheryl Levick, Marvin Lewis, Bill Prigge, Wayne Reed, Tim Renick, Nan Seamans, Edgar Torbert, Mary Beth Walker

The minutes of October 13, 2010, were approved as distributed.

Mandatory Fee Proposals

Dr. Covey presented the recommendations of the Mandatory Fee Council as follows:

1) MFC voted 7-9-0 against the proposed increase in the International Education Fee (IEF) from $13 to $15;
2) MFC voted 6-10-0 against the proposed establishment of a Green/Sustainability Fee of $3;
3) MFC voted 8-8-0 regarding the proposed increase in the Athletic Fee from $251 to $263;
4) MFC voted 8-8-0 regarding the proposed increase in the Transportation Fee from $46 to $53.

Dr. Covey reported the 8-8-0 split votes were in each case 8 student MFC members voting against the proposed increases and 8 staff MFC members voting for the proposed increases. Dr. Covey pointed out that he as the presiding chair of MFC did not have a vote to cast to break the ties under the MFC rules.

Dr. Rackliffe reported the Board of Regents would not require that any increases in mandatory fees for FY2012 be offset by equal reductions in the Special Institutional Fee (SIF) as had been required for FY2011.

Ms. Levick presented an overview of the Athletic Fee proposal highlighting the use of the additional fee revenues to enlarge the marching band and to meet Title IX requirements for additional women’s sports. Ms. Levick stated that Athletics was also working to increase revenues from other sources such as donations, sponsorships and ticket sales.

Mr. Dutton reported the student MFC members had been disappointed in the lack of full disclosure regarding the overall Athletics budget, fund-raising, etc. and the explanation of the projected use of the accumulating surplus funds.
Ms. Levick stated that fund-raising results had been substantially improved since her arrival at GSU with an increase from $35K to $300K in unrestricted gifts from FY2009 to FY2010, and a goal of $1M for 2011. Dr. Kaminshine asked if the funding-raising dollars were targeted for specific uses other than operational expenses. Ms. Levick explained that the three-pronged approach generally had football ticket sales offsetting Georgia Dome expenses for football; Athletic Fee revenues covering the operational budget; and fund-raising dollars directed to capital projects associated with the start-up or enhancement of the sports teams. Ms. Levick stated the immediate capital need was for women’s sand volleyball courts to be followed by a women’s lacrosse facility.

Dr. Tai asked about the need to increase the size of the marching band. Ms. Levick responded that the planned increase in the size of the band was intended to make the sound and appearance of the band better fit the size of the Georgia Dome. Ms. Levick stated that the visiting bands this season with 250 members were more typical of university marching bands.

Dr. Alberto asked if this $12 increase was the last in the multi-year plan presented at the time the $85 increase for starting football was proposed. Dr. Rackliffe answered that the multi-year plan called for the $85 initial fee followed by four $12 increases. He added that the first $12 increase was delayed one year and combined with the second $12 increase, and the current request was the third of the four $12 increases originally presented. Dr. Rackliffe pointed out that the end of the fixed-for-four tuition plan had greatly impacted the cost of athletic scholarships, and that the scholarships were funded by the Athletic Fee. He observed the annual rise in the cost of scholarships necessitated on-going increases in the Athletic Fee to keep pace and that these Athletic Fee revenues were converted to FC10 (state) funds by their use for this purpose.

Dr. Hudson asked about the option of meeting Title IX requirements by reducing the number of men’s sports teams. Ms. Levick acknowledged this as a possibility in the long-term, but as a last resort.

Ms. Amari asked if the multi-year plan had been endorsed by MFC. Dr. Rackliffe affirmed this was the case,

Dr. Rackliffe presented an overview of the Transportation Fee proposal highlighting the requirement of the Board of Regents that each institution submit a five-year plan for each auxiliary service, including plans to eliminate any deficits. He commented that any increase in the Transportation Fee would be seen as a good faith effort to reduce the current deficit. Dr. Rackliffe cautioned that using the surplus from Parking to offset the deficit in Transportation was shortsighted given the need to build a reserve in Parking for replacement or repair of existing decks.
Mr. Dutton asked for further clarification of the other sources covering Auxiliary Service deficits. Dr. Rackliffe cited the example of Vending covering Food Service prior to the opening of the Freshman Hall and other dining facilities. He noted the threat to continuation of Food Service when auditors found those deficits in the prior years.

Mr. Dutton stated students would be more supportive of a fee increase to build new on-campus parking decks, but that questions remained concerning the modified contract for shuttle buses. Mr. Rackliffe replied that the bus contract was modified due to fuel and labor cost increases that jeopardized the continuation of services by the bus company. He added that the compromise reached with the bus company still amounted to a lower contract cost than the competitive bids of several years ago and was lower than the contract cost for Georgia Tech in more recent bidding.

Dr. Hudson commented that because Auxiliary Services overall were not operating at a deficit, a change in the fee should await the next round of bids for shuttle bus service. Mr. Reed added that ordering new buses could take a new company 18 months for delivery.

Ms. Bernardino presented an overview of the International Education Fee proposal emphasizing the need to increase the number of scholarships in order to meet goals for number of students studying abroad as well as the amount of the scholarships in order to cover airfares for students. Ms. Benardino stated the goal of having 1,200 students study abroad by 2013.

Dr. Kaminshine asked about the percentage of fee revenues earmarked for scholarships. Ms. Bernardino stated 70% of revenues went to scholarships.

Dr. Tai asked about the need-based component of the scholarship program. Ms. Benardino answered that there were merit and need-based awards.

Motion: Recommend increasing the Athletics Fee $12 from $251 to $263 passed by vote of 5-3-0.

Motion: Recommend increasing the Transportation Fee $7 from $46 to $53 failed by vote of 2-6-0.

Motion: Recommend increasing the International Education Fee $2 from $13 to $15 passed by vote of 7-0-1.

Motion: Recommend reducing the Special Institutional Fee $14 from $168 to $154 passed by vote of 8-0-0.

Other Fee Proposals
Dr. Prigge presented the College of Law request to increase the differential tuition rate for in-state students only in accordance with the five-year plan to secure funds for a new building while maintaining the current rate for out-of-state students. Dr. Hudson asked about the consistency of the tuition rates with program quality. Dr. Kaminshine responded the tuition rates were close to the middle among law schools at public research universities. He added that any greater increase would be problematical for endowed scholarships established when rates were lower.

Motion: Recommend College of Law differential tuition increase passed by vote of 7-0-1.

Dr. Huss presented the J. Mack Robinson College of Business requests to increase the tuition differential for MBA students and to set comprehensive program fees for various professional programs. Dr. Huss noted the differential tuition rate request was like the College of Law the fifth of five years for a new building. He commented that all the proposed program rates were market driven as the programs only happened if the enrollments materialized. He added that RCB graduate hours were up because of the demand for these programs.

Motion: Recommend Robinson College of Business tuition and program fee requests passed by vote of 7-0-1.

Drs. Kelley and Eriksen presented the new differential tuition rates for the Masters of Public Health program. Dr. Eriksen pointed out that the current tuition at Emory for the MPH was three-to-four times the GSU tuition for the MPH and that the program had an abundance of applicants. He added that the University of Georgia had a differential tuition rate for its MPH program.

Dr. Kaminshine commented that the College of Law had experienced little success in recruiting out-of-state students because of the high tuition rate for those students, and suggested the out-of-state rate for the MPH program be adjusted to equate the increase in dollars to that for in-state students rather than increase on an equal percentage basis. Dr. Eriksen accepted this suggestion.

Motion: Recommend MPH differential tuition request with the noted modification in the out-of-state rate passed by vote of 7-0-1.

**Strategic Graduate Enrollment Plan**

Dr. Rackliffe distributed a spreadsheet, “Strategic Graduate Enrollment Plan, PhD Funding Proposal FY2012-FY2018”, outlining PhD student support tied to 2CI faculty hires. Dr. Rackliffe noted the $22K packages for PhD students would in turn produce revenues through course sections taught by the PhD students and credit hours produced so that revenues would exceed costs by FY2018.
Dr. Rackliffe credited Dr. Morris with the concept, and stated the Senate Budget Committee had endorsed the idea as a plus for 2CI faculty recruitment. Dr. Hudson echoed this comment also noting the institutional goal of increasing the number of PhD students.

Dr. Tai asked about having different award amounts for select PhD programs. Dr. Rackliffe replied that the $22K packages were for planning purposes, but the deans and department chairs would determine how the total amounts were divided among programs.

Mr. Dutton asked about the funding source for this initiative. Dr. Rackliffe answered that the funds would come from the enrollment growth allocation for FY2012.

Motion: Recommend adoption of the strategic graduate enrollment plan as presented passed by vote of 8-0-0.

Other Business

Dr. Hudson announced the Board of Regents foresaw no FY2011 budget cuts beyond the 4% cuts previously taken.

Prepared by Edgar Torbert
Approved February 23, 2011