I. Minutes 04/17 were approved without modification. Roy Bahl reminded the group he had asked Charles Louis to provide him with a copy regarding an audit of research funding. Charles Louis responded that he had provided what documentation he had received to the group.

II. Update on Budget
Ron Henry summarized the budget projection. He noted a net budget imbalance carry-forward of $550,000 for FY 02. The new budget includes a base cut of 5.8% ($9.706M), with Special Funding Initiatives reduced $250,000 and additional FY03 expenses estimated at $1.37M (unmet demand, Aderhold Center, and Burge Chair.) System targeted workload brings $2,321,000, the hold harmless funding adds $1,288,000, tuition in excess of salary yields $2,717,000, new space allocations bring $201,000 and the professional program differential for RCB will allow for an additional $336,000.

It is projected a flip-flop of approximately $1.2M, additional projected tuition revenues of $4.3M, additional Indirect Cost Recovery revenues of $100,000 and BOR Centers cuts of $96,000. Additional expenses include $1.2M for SCH production. These result in a net budget imbalance of a negative $853,000. Including off-budget projects and estimated potential sources of additional revenues the overall it is estimated that the overall imbalance will result in a positive amount of $461,000. He cautioned the group that these figures are contingent on the schools and colleges meeting their credit hour targets.

Roy Bahl noted that this positive figure represents what the university would normally roll forward and suggested a conservative move to carry this forward as contingency. Ahmed Abdelal suggested that based on the experience of the membership of FACP, the figures are most likely accurately projected. Ron Henry added that this amount represents 0.2% on the total budget. Sid Harris asked if operating fund increases could be added to the budgets of the academic units. Ron Henry added that student services units should also be considered for such additional funding. Ron Henry indicated that perhaps such a suggestion might be appropriate in the fall when other budgetary issues are clearer. Bill Fritz indicated areas such as enrollment services are taxed with the additional students they are serving.

Janice Griffith suggested that perhaps critical needs should be presented to FACP since budget hearings did not allow for these presentations to be made in the present fiscal situation. Charlene Hurt asked if the figure given for the additional FY 03 expenses was a firm amount. Ron Henry noted approximately half of these funds ($700,000) result from meeting unmet demand. He indicated FACP would further discuss these figures this afternoon. Ahmed Abdelal confirmed that he feels these values are based on the budgets supplied to FACP by the units responsible for the individual projects and are contingent on these estimates. He further indicated his support to ease the stress across the institution based on increase student numbers and services without adequate budgetary support.

Roy Bahl noted that based on other southern state government behaviors (such as North Carolina) concerning budgeting of higher education, he feels the university might revisit the allocation of the base budget. Ron Henry also indicated this concept is also being discussed at the university system level. Janice Griffith indicated the COL needs resources for technology support staff, funds should be allowed for structural considerations (elevators, carpeting.) Ahmed Abdelal suggested efforts such as program review have allowed the university to revisit program funding over the past seven years. He also indicated that if admission standards are to be raised, funding for other areas that support these efforts (such as faculty offices) should
also be considered to further growth. Roy Bahl added that growth should include aspects of quality and should be considered in addition to increasing the quantity of students. Sid Harris indicated he supports the improvement in quality as well as quantity.

III. Enrollment Data
Bill Fritz summarized enrollment information. Freshman applications are up 15% over last fall. The percentage of accepted students is decreasing indicating the quality of students is increasing. Transfer student admissions for fall are soft while applications for the summer are increased over last year. Susan Kelley asked if the standards are the same for Fall 2002. Ron Henry verified this. Therefore, as Sid Harris summarized, more unqualified students are applying. Bill Fritz noted admissions practices nationwide use the percentage of denied applicants as a measure of quality.

Bill Fritz attended a meeting of the academic officers of the Urban 13 held at Temple University. Compared to this peer group, who are facing the same type of budget cuts and salary cuts, our cuts are less severe and our enrollments and quality are increasing. In addition, he noted Temple was looking at quality in graduate as compared to undergraduate programs, and that their own undergraduates are not as qualified to attend their graduate and professional programs. Temple has decided to focus on determining the characteristics of their successful students. Sid Harris said our students are in the top four groups of students attending MBA programs at GSU. Bill Fritz also described the disruption experienced at Temple as a result of the activities of graduate students regarding the receipt of benefits, but their salaries are now considered taxable, and will also require much greater funds from the institutions.

IV. $2600 Nonacademic Salary Cap
Ron Henry indicated some institutions are proposing to call the $2600 a “merit increase” and any additional increases as “equity increase.” He noted BOR allows an adjustment of the base salary during mid-year (in this case July 1st) or waiting until November 1st. Another alternative would be to give a one-time bonus, without increasing their base salary. Ahmed Abdelal noted a July 1st salary increase is easier for budget purposes.

The group was advised to make merit recommendations from the 3% raise pool where appropriate and deal with other possible contingencies later.

Next meeting: Wednesday, June 12 9:00 to 11:00 am, Room 200, Golden Key Board Room, Student Center. (Reserve May 22 as a potential meeting date.)

Submitted by Lisa Beck 05/04/02