

**PRESIDENT'S BUDGET ADVISORY COMMITTEE
MINUTES
April 22, 2004**

MEMBERS PRESENT:

Eduardo Ochoa	Provost, Co-Chair
Larry Furukawa-Schlereth	Vice-President, Administration and Finance, Co-Chair
Katharyn Crabbe	VPBAC
Noel Byrne	Immediate Past Chair of the Faculty
Catherine Nelson	Chair of the Faculty
T.K. Clarke	VPBAC
Melinda Barnard	CRC
Victor Garlin	CFA Representative
Jason Spencer	President, Associated Students
Lynn McIntyre	Vice-President, University Affairs
Sam Scalise	CRC
Gloria Ogg	CRC
Henry Amaral	Staff Representative
Stuart Jones	Vice-President, Development

STAFF PRESENT:

Katie Pierce	Associate Vice-Provost for Academic Resources
Neil Markley	Director, Administrative Services
Letitia Coate	University Controller
Bill Ingles	University Treasurer

MEMBERS ABSENT:

John Kramer	Faculty Representative at Large
Rand Link	Vice-President, Student Affairs
Janice Peterson	CRC
Melanie Dreisbach	Chair-Elect of the Faculty
Ethan LaMoureaux	Associated Students Treasurer
Steve Wilson	Associate Vice-President, Administration and Finance

STAFF ABSENT:

None

GUESTS PRESENT

Ruben Armiñana

AGENDA

I:	CALL TO ORDER
II:	APPROVAL OF THE AGENDA
III:	APPROVAL OF THE MINUTES, December 18, 2003; February 26, 2004
IV:	GOVERNOR'S BUDGET UPDATE
V:	2004-2005 DIVISIONAL FINANCIAL PLANNING
VI:	ITEMS FOR THE GOOD OF THE ORDER

I: CALL TO ORDER

Eduardo Ochoa brought the meeting to order at 8:10am.

II: APPROVAL OF THE AGENDA

Ochoa amended the agenda to include a budget update by Dr. Ruben Armiñana. No other additions or deletions were heard. Kathryn Crabbe moved and Sam Scalise seconded a motion to approve the agenda. No objections were heard.

III: APPROVAL OF THE MINUTES: December 18, 2003; February 26, 2004

Gloria Ogg moved and Kathryn Nelson seconded a motion to approve the minutes of December 18, 2003 and February 26 2004. The minutes were approved unanimously with abstentions from those not in attendance at the December 18, 2003 and February 26 2004 meetings.

IV: GOVERNOR'S BUDGET UPDATE

(Please see the April 22, 2003 Agenda Packet for this document)

Ruben Armiñana presented an update on the Governor's budget. The Governor is now beginning to turn his attention to the budget. Not much information is currently available. Armiñana expects further deterioration in the budget for the May revision. The Governor has asked agencies to provide to him the impact of an additional 3% reduction. This translates to \$72,000,000 for the CSU and \$1,600,000 for Sonoma State University. The impact of enrollment reductions are being felt as rejection letters are sent. The Governor has expressed a renewed interest in a budget compact between the state and CSU for the 2005-2006 year. The CSU Board of Trustees is scheduled to meet in May, however quorum may not be made as the Governor has yet to fill vacancies on the Board. It is important the Trustees meet to discuss fees for the upcoming fall semester. Schlereth noted that the fluid fee situation could have an adverse effect on Customer Service and Financial Aid.

TK Clarke asked for an update on the San Francisco State University fee referendum. Armiñana stated that the fee had passed, however the Chancellor is in no hurry to adopt the fee increase. The Chancellor is still reviewing the issue.

Armiñana reviewed reductions. \$2,500,000 will be reduced due to reductions in enrollment. This reduction will be felt primarily in instruction as less students will be taught. \$2,500,000 in mandatory costs and unallocated reductions will also be passed to the campus. This year, the campus was able to find \$1,400,000 to back fill reductions mainly in direct instruction. This, however, was a one-time solution and cannot be repeated in the upcoming fiscal year budget.

As a solution to ease budget reductions this year, Armiñana is proposing a 10-day furlough of all employees. To be enacted, this proposal would need to be approved by all bargaining units and the Board of Trustees. Should any bargaining unit not approve the proposal, it could not be enacted. The approval process could take some time initiate. This proposal is expected to generate \$1,800,000 in savings to be used to restore course sections.

Victor Garlin feels it is unlikely the California Faculty Association would approve such a proposal. Clarke expressed support for the proposal. Jason Spencer feels this is a good solution and is a plan the students could support. Ogg feels this proposal would end the finger pointing and would create unity among employees. Barnard agrees with Ogg and feels Garlin's reaction to the proposal is insulting as he has not yet consulted the faculty. Bill Ingles feels these tough budget times require bold steps. He feels this proposal is a bold step in the right direction. Noel Byrne feels solidarity is important and sticking together as a community is the right thing to do. He would like to hear additional arguments on the proposal before endorsing. Clarke cautioned

that this may not reduce current cuts if new cuts are looming. This proposal may just bring us back to the budget situation we are currently in. Garlin feels other approaches should be examined. He feels this proposal is similar to those employed in corporate America daily and is not a bold step. This proposal places labor at odds with management. Markley believes staff will endorse such across the board pay cuts even though it will be tough on them financially. He feels the unity that this represents resonates well with staff members. Barnard can see a situation where the proposal is accepted, additional budget cuts come, and courses are still being eliminated. This would cause animosity and ill will. Armiñana does not feel additional reductions will materialize.

Garlin asked for additional options to be presented and discussed. Armiñana stated that the PBAC is an advisory board and he would appreciate advice on the proposal as presented. He asked if Members felt this was worth pursuing a meet and confer. Ochoa feels that such a meeting would be a meaningful expression of solidarity to the instructional mission of the University.

Ochoa adjourned the meeting at 10:00am.

Minutes prepared by Neil Markley