

**PRESIDENT'S BUDGET ADVISORY COMMITTEE
MINUTES
April 30, 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
Lynn McIntyre	Vice-President, University Affairs
Sam Scalise	CRC
Gloria Ogg	CRC
Henry Amaral	Staff Representative
Stuart Jones	Vice-President, Development
Rand Link	Vice-President, Student Affairs
Janice Peterson	CRC
Melanie Dreisbach	Chair-Elect of the Faculty
John Kramer	Faculty Representative at Large
Tim Wandling	VPBAC Faculty

STAFF PRESENT:

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

MEMBERS ABSENT:

Ethan LaMoureaux	Associated Students Treasurer
Steve Wilson	Associate Vice-President, Administration and Finance
Jason Spencer	President, Associated Students

STAFF ABSENT:

Letitia Coate	University Controller
---------------	-----------------------

GUESTS PRESENT

Ruben Armiñana, Susan Kashack, Saied Rahimi

AGENDA

- | | |
|-----|------------------------------------|
| I: | CALL TO ORDER |
| II: | SPECIAL MESSAGE FROM THE PRESIDENT |

I: CALL TO ORDER

Eduardo Ochoa brought the meeting to order at 10:05am.

II: SPECIAL MESSAGE FROM THE PRESIDENT

President Ruben Armiñana opened the meeting with comments regarding the University budget. He feels the University is threatened by budget reductions. No matter what actions are taken to alleviate the reductions, consequences exist. He voiced his continuing commitment to full-time, permanent employees. Armiñana stated that he will not waiver from this commitment. He believes the reductions in Academic Affairs are too severe and would change the complexion of the instruction and University. As such, he is committing an additional \$1,200,000 to backfill the instructional budget on a one-year basis. This money has not yet been identified, however he feels this to be important for students and instruction. He noted that \$250,000 had been recently donated to the School of Science and Technology for unrestricted purposes. This is a positive first step. Future funds are likely to come from bridge financing that would need to be repaid over time. Schlereth added that this bridge financing would only occur if the campus was confident that recovery is likely. Armiñana noted that discussions are underway between the CSU and Governor to “regularize” the CSU budget. He believes the 2004-2005 budget is the rock bottom. Schlereth asked members to provide advice to the President on this course of action.

Garlin expressed his need to consult his constituents, however feels this course of action to be prudent. He would like to know where the funds would come from. He also expressed his pleasure in the donation to Science and Technology. Armiñana reiterated that he did not yet know the fund sources for the bridge. Melinda Barnard feels that this conversation is not just about numbers and classes, but about the fabric of the University. When budgets are reduced and employees leave, a piece of the University leaves with them. She would like to see fundraising spread to benefit all as much as possible. Armiñana noted that donor don't give to save jobs, but to save and enhance programs. This donor has given to many programs in the past and has chosen Science and Technology for this gift. Catherine Nelson asked if the \$1,200,000 bridge would affect the budget gap in the future. Armiñana indicated it could. Schlereth added that generally a step such as this does not take place without an exit plan. He also noted that when dollars disappear, things are different. The University needs to realize this. Nelson feels that if this commitment is made, the PBAC needs to realize it will need to be paid down the road. The committee shouldn't complain when the bill comes due. Tim Wandling agreed with Nelson's statement.

Armiñana explained that we did not explore this option earlier because timing is everything. Doors open and close at different times creating opportunities. TK Clarke does not agree with borrowing for short-term fixes. He does not want the University to borrow to save its character now, if it will only produce savings for one year and may just disappear next anyway. Garlin understands that the Deans have been given the go ahead to plan as if the \$1,200,000 exists. Armiñana agreed and added that the money is likely to be found within the CSU, but not from another campus.

Henry Amaral noted that when cuts happen everyone must make sacrifices. He has seen positions and service decrease in his department. Gloria Ogg asked if Academic Affairs was willing to reengineer and restructure as has Administration and Finance over the years. Ochoa stated that this reprieve would allow Academic Affairs the time to plan for future changes. Ogg stated that SFSU has made a number of changes, such as complete elimination of programs, on their campus to address the budget reductions. She asked if this campus has considered such steps. Armiñana stated that SFSU has cut and shifted programs, however this will take three years to realize savings. They have also committed to hiring a number of employees over his

time. He feels their plan has a number of contradictions. Clarke feels Administration and Finance should better market reengineering and reduction efforts. Rand Link feels the bridge is a great idea, especially if borrowing can be avoided. Kathryn Crabbe supports the plan preserving instruction. She added that the campus needs to understand that related services will be changed and curtailed as reductions occur.

Ochoa thanked Members for their honesty, support and show of solidarity in this tough time.

Ochoa adjourned the meeting at 10:00am.

Minutes prepared by Neil Markley