

**PRESIDENT'S BUDGET ADVISORY COMMITTEE
MINUTES
September 11, 2003**

MEMBERS PRESENT:

Eduardo Ochoa	Provost, Co-Chair
Larry Furukawa-Schlereth	Vice-President, Administration and Finance, Co-Chair
Rand Link	Vice-President, Student Affairs
Sam Scalise	CRC
Janice Peterson	CRC
Noel Byrne	Immediate Past Chair of the Faculty
Henry Amaral	Staff Representative
Catherine Nelson	Chair of the Faculty
T.K. Clarke	VPBAC
Gloria Ogg	CRC
Debora Hammond	VPBAC Faculty
Lynn McIntyre	Vice-President, University Affairs
Melinda Barnard	CRC
Stuart Jones	Vice-President, Development
Steve Wilson	Associate Vice-President, Administration and Finance
Victor Garlin	CFA Representative
John Kramer	Faculty Representative at Large
Jason Spencer	President, Associated Students
Melanie Dreisbach	Chair-Elect of the Faculty
Ethan LaMoureaux	Associated Students Treasurer

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:

Katharyn Crabbe	VPBAC
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STAFF ABSENT:

None

GUESTS PRESENT

Rick Luttmann

AGENDA

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| I: | CALL TO ORDER |
| II: | INTRODUCTION OF MEMBERS |
| III: | APPROVAL OF THE MINUTES: MAY 22, 2003 |
| VI: | PRELIMINARY REPORT: 2002-2003 YEAR-END |
| V: | STATE OF CALIFORNIA FINAL BUDGET: 2003-2004 |
| VI: | NEW MANDATORY CAMPUS COSTS: 2003-2004 |
| VII: | FALL MEETING AGENDA TOPICS |

I: CALL TO ORDER

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

II: INTRODUCTION OF MEMBERS

Larry Schlereth introduced new Members Jason Spencer, Ethan LaMoureaux, Melanie Dreisbach and T.K. Clarke to the Committee. Schlereth asked Committee Members to introduce themselves.

III: APPROVAL OF THE MINUTES: May 22, 2003

Steve Wilson moved and Rand Link seconded a motion to approve the minutes of May 22, 2003. The minutes were approved unanimously with abstentions from those not in attendance at the May 22, 2003 meeting.

IV: PRELIMINARY REPORT: 2002-2003 YEAR-END

Schlereth informed Members that the year-end closing process is underway. Audits are due to be complete in October with final reports due in November. Every division ended the fiscal year 2002-2003 with resources. No assessments were made for University-wide reserve items. \$1,300,000 has been identified to largely mitigate course section reductions for the fall.

V: STATE OF CALIFORNIA FINAL BUDGET: 2003-2004

(Please see the September 11, 2003 Agenda Packet for this document)

Schlereth presented the State of California final budget enacted August 2, 2003. The \$38.2 billion budget gap was bridged with a combination of spending cuts, tax shifts and borrowing. Higher education fees are expected to increase to cover a portion of the general fund loss. The State faces an \$8-12 billion shortfall in 2004-2005. A budget trailer calls for no enrollment growth or compensation increases in 2004-2005. The budget is silent on new CSU costs including: required salary increases, increased employee benefit costs and rising utility prices. The CSU budget reductions less revenue offsets (growth and fee increases) totals \$225.4 million. Supplemental budget language was included providing guidelines and reporting requirements to the CSU. Letters by the CSU and California Faculty Association (CFA) addressing the supplemental budget language were distributed. The total budget reduction to Sonoma State University equals \$5,040,995. The budget reduction minus revenue growth and one-time bridge funding totals \$1,577,000. A possible mid-year budget reduction is also being discussed at the state level.

VI: NEW CAMPUS MANDATORY COSTS

(Please see the September 11, 2003 Agenda Packet for this document)

In addition to budget reductions, Sonoma State University faces new mandatory costs associated with negotiated Faculty and Trades salary increases, benefit cost increases and utility price increases. These new mandatory costs total \$2,246,400 for the 2003-2004 fiscal year. Net budget reductions and new mandatory costs total \$3,823,400.

Division financial plans were presented and reviewed. The University is expected to reduce enrollment for the spring following guidelines issued by the CSU Chancellor's Office. Spencer asked if layoffs were likely in the current fiscal year. Schlereth responded that layoffs were not likely at our campus this year, however all campuses will need to do some serious

thinking about next year. Dreisbach asked if faculty retirees would be replaced. Ochoa stated that many faculty were hired this past cycle. Academic Affairs will likely absorb the impact of retiring faculty this year and will approve hiring on a case-by-case basis. Academic Affairs will decentralize decision making to the schools to allow for the unique factors in each school. Rick Luttmann asked if Academic Affairs will continue the movement toward hiring full-time tenure-track faculty. Ochoa supports the movement toward a larger base of full-time tenure-track faculty, however will likely pause this practice this year given the lack of resources. Ochoa feels the proper mix of part-time and full-time faculty is needed to efficiently operate and this issue should be examined. Luttmann does not feel this topic has been broadly discussed and consultation is needed. Victor Garlin agrees with Luttmann's statement and feels a general movement from using the Academic Senate as a consultative body to using the Dean's Council. He urged the appropriate consultative bodies be used when making decisions. Melinda Barnard feels a two front approach using Deans and Departments for school issues and the VPBAC and Academic Senate for Division-wide decisions is appropriate.

Spencer has spoken with Ochoa regarding the use of external funding opportunities and would like to pursue these opportunities. Garlin also feels external support is important. Clarke agrees, however external donors fund what they want not necessarily where the need exists. Clarke feels that we are eliminating our most efficient and flexible labor. He would like to discuss this issue in the future.

Barnard hopes the future of the Health Center is being considered as needs for services are increasing. Rand Link stated that the Student Health Advisory Council is discussing this issue. Barnard feels the budget will not improve for sometime. This is the time to begin planning long-term and reexamining policies such as the no lay-off policy. She feels the hard questions need to be asked now, not in November and December. Schlereth agrees, however feels it's important to see the next Trustee's budget request before acting.

Garlin motioned to have the President's Budget Advisory Committee endorse the supplemental budget language. Noel Byrne seconded the motion. Clarke asked the motion be tabled for a future meeting. Lynn McIntyre seconded the tabling of the motion. The motion was tabled.

Ochoa adjourned the meeting at 10:00am.

Minutes prepared by Neil Markley