

**PRESIDENT'S BUDGET ADVISORY COMMITTEE
MINUTES
September 9, 2004**

MEMBERS PRESENT:

Eduardo Ochoa	Provost, Co-Chair
Larry Furukawa-Schlereth	Vice-President, Administration and Finance, Co-Chair
Katharyn Crabbe	VPBAC
Melanie Dreisbach	Chair of the Faculty
Saied Rahimi	VPBAC
Melinda Barnard	CRC
Andy Merrifield	CFA Representative
Lynn McIntyre	Vice-President, University Affairs
Gloria Ogg	CRC
Henry Amaral	Staff Representative
Rand Link	Vice-President, Student Affairs
Janice Peterson	CRC
Elizabeth Stanny	Chair-Elect of the Faculty
Chris Fadeff	Associated Students Treasurer
Jason Spencer	President, Associated Students
Catherine Nelson	Immediate Past Chair of the Faculty
Sam Scalise	CRC

STAFF PRESENT:

Neil Markley	Director, Administrative Services
Bill Ingles	University Treasurer
Letitia Coate	University Controller

MEMBERS ABSENT:

Steve Wilson	Associate Vice-President, Administration and Finance
Stuart Jones	Vice-President, Development
John Kramer	Faculty Representative at Large
Tim Wandling	VPBAC Faculty

STAFF ABSENT:

Katie Pierce	Associate Vice-President for Academic Resources
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GUESTS PRESENT

Jane Wright

AGENDA

I:	APPROVAL OF THE AGENDA
II:	APPROVAL OF THE MINUTES
III:	2003-2004 YEAR-END FINANCIAL REPORT
IV:	THE GOVERNOR'S FINAL BUDGET
V:	CSU SYSTEMWIDE ADVISORY COMMITTEE
VI:	ITEMS FOR THE GOOD OF THE ORDER

I: APPROVAL OF THE AGENDA

Eduardo Ochoa brought the meeting to order at 8:10AM. Melinda Barnard moved and Andy Merrifield seconded a motion to approve the agenda. No objections were heard.

II: APPROVAL OF THE MINUTES: May 20, 2004

Melanie Dreisbach moved and Katharyn Crabbe seconded a motion to approve the minutes of May 20, 2004. The minutes were approved unanimously with abstentions from those not in attendance at the May 20, 2004 meeting.

III: 2003 – 2004 YEAR-END FINANCIAL REPORT

(Please see the September 9, 2004 Agenda Packet for this document)

Schlereth presented the 2003-2004 Year-End Financial Report. Each Division reported a cash balance at the end of the fiscal year, however much of the money had been committed before year-end. The Executive Office will roll its balance to assist the Development Office in the current fiscal year. Academic Affairs balances have been planned and committed by the schools for various needs. Student Affairs and Administration and Finance anticipate using their balances to cover current fiscal year reductions. University-Wide balances will be applied to 2004-2005 reserve items. Schlereth noted that excess utility charges had been refunded back to units.

IV: GOVERNOR'S FINAL BUDGET

(Please see the September 9, 2004 Agenda Packet for this document)

Schlereth presented the Governor's final budget for fiscal year 2004-2005. The previously announced enrollment reduction of 338 FTES has been reduced to 224 FTES. This reduction totals \$2,249,500 and has been distributed through the marginal cost formula. Schlereth noted that most of this money should return next year as enrollment increases due to the Governor's compact with the CSU. Merrifield pointed out that the compact is not a sure bet and requires legislative approvals.

Permanent reductions of and new mandatory costs of \$2,479,471 were made and assessed through the marginal cost formula. The Executive Office reduction has been covered by Administration and Finance. Academic Affairs \$1,538,519 reduction was offset by a \$1,200,000 one-time augmentation. This augmentation was a result of increased state university fee revenue, revenue from lower enrollment reduction from other Divisions, and reversal of reductions in EOP and Outreach.

Dreisbach feels the reduced reductions to instruction are positive. Merrifield cautioned that budgets are fluid and we should remain cautious. Lynn McIntyre noted that while Executive Office reductions are not shown, they have undertaken significant reductions. Rand Link stated that this shift of funds to Academic Affairs has happened in the past, as well, and demonstrates our commitment to funding courses. Gloria Ogg feels that reductions in this magnitude cannot continue to be absorbed by other areas of the University. Merrifield noted that all employees received a workload increase this year.

V: CSU SYSTEM-WIDE BUDGET ADVISORY COMMITTEE

(Please see the September 9, 2004 Agenda Packet for this document)

Schlereth informed Members of the CSU System-wide Budget Committee. This committee consists of representatives from all constituencies and is the system-wide consultative budget

body. Dr. Armiñana is a Member of this committee. This Committee has been engaged in preliminary budget planning assuming the Governor's compact remains intact. Most money in the budget is committed to enrollment growth and compensation. It is also expected that year-round operations should take care of most new growth on the campus. Dreisbach feels year-round operations will impact instructors that rely on income from summer months. Merrifield pointed out that Extended Education could still offer courses in the summer, however they would be different than the offerings today. Saied Rahimi feel year-round operation could relieve some pressures caused by the Darwin remodel. Merrifield noted that while year-round operation may have positives, it is not a salvation.

Schlereth discussed other issues on the horizon. Extended Education will be required to pay \$1,200,000 to professors teaching over the past summer. This could have a serious impact on their operation as well as funding distributions to the schools. Darwin Hall group two equipment money should be funded in the next budget cycle. The Darwin Interim Plan is funded and under control. The state-funded portion of the Green Music Center is funded on the CSU Capital Outlay program, however is toward the bottom of the funded item list.

Catherine Nelson asked Ochoa to update Members on the status of university-wide planning. Ochoa stated that he is getting a rationale to the President by October. Certain areas will form steering committees to assist in the process. Schlereth has asked his managers to commence environmental scanning to assess potential impacts in the future.

VI: ITEMS FOR THE GOOD OF THE ORDER

Crabbe noted that Deans and Departments have done a great job in responding to needs of both students and staff.

Ochoa adjourned the meeting at 9:55am.
Minutes prepared by Neil Markley