Members Present:
Praveen Soni, Chair (Long Beach); Jim LoCascio Vice Chair (San Luis Obispo); Otto Benavides, (Fresno); Kate Fawver (Dominguez Hills); Eileen Klink (Long Beach); Thomas Krabacher (Sacramento); Cezar Ornatowski (San Diego); and James E. Swartz (Pomona).

Regrets: Martin Linder (San Francisco); Steve Browne, (Maritime).

Guests:
Steven Filling, ASCSU Executive Committee, Vice Chair.
Ron Vogel, Associate Vice Chancellor of Academic Affairs.
George Ashkar, Assistant Vice Chancellor, Controller Financial Services.
John Sedong, Director System-wide Financial Standards & Reporting.
Robert Turnage, Assistant Vice Chancellor for Budget, via Teleconference.
Andi Merrifield, Chair of CFA's Bargaining Team.
Karen Y. Zamarripa, Assistant Vice Chancellor of Advocacy and State Relations.

1. **Welcome and Call to Order:** Praveen Soni, Chair 11:06 AM.

2. **Agenda Approval:** The agenda was approved as amended. A new item was added: transfer degree summary.

3. **Approval of Minutes:** Minutes from the FGA meetings of March 13, 2013 and April 16, 2013 were approved without changes.

4. **Chair’s Report: Praveen Soni**
   - The chair reported that FGA’s memo on legislative bills was well received by the Executive Committee.
   - At San Jose State University SB-520 was discussed in conjunction with SJSU roll out of its partnership with Udacity to offer online classes and its partnership with Edx to offer a circuits class.
   - Chair Soni noted that Faculty Affairs Committee will sponsor CSU faculty awards.

5. **Other Brief Reports: FGA Senators**
   Committee member Jay Swartz reported meeting with his state senator and assemblymen in Sacramento and that he valued this one on one time and hopes that this meeting will culminate in a campus visit.
6. Executive Committee Liaison: Steven Filling:

- Steven reported that San Jose President Mohammad Qayoumi, Provost Ellen Junn and SJSU Academic Senate Chair Beth Von Till will address the ASCSU reporting on SJSU partnership with Udacity via telephone Thursday at 1:00 pm. They will answer questions that were sent to them. We were urged to formulate questions to ask and to direct the question to one of the three participants. Steven has concerns about the metrics that will be used to evaluate these offerings.
- Ephraim Smith needs faculty for review panels to evaluate RFP’s to address solutions to the bottleneck courses identified by each campus. There is $17 million for course redesign and advising.
- The executive committee is seeking standing committee descriptions that will be disseminated to the ASCSU.
- Steven answered questions from FGA members: (1) Kate questioned the potential impact on the CSU with the current version of SB 520 (2) Jim L asked about the 120/180 unit caps and status of the semester/quarter conversion; Steven said that the waiver required for exceptions to the unit caps seems to be in limbo and he had no information on the semester/quarter conversion.
- Steven also reported that SB 520 needs to be amended, SB 440 is a bad idea and that the CCC’s are eliminating other programs in order to fund SB 520.

7. CSU Financial Statements for the last five years; presented by George Ashkar and John Sedong:

- Mr. Ashkar presented the committee with a 4 page spreadsheet detailing the CSU income and expenses for the last five years. He started his presentation by pointing out that the budget was reduced by $300-400 million while fixed costs have increased by $200 million and hence the system is approximately a half a billion dollars short.
- Cezar asked for an explanation on charge backs. Jim was told that SUGS cost the system about $1 billion., Kate asked about the change in research totals, Jay said that PERS was grilled on the cost of health care and George noted that new employee’s benefits will be less and that PERS controls health care benefits and costs.
- George pointed out that the Governor, the Lt. Governor and the Chancellor are all supporters of online education even though there is no assessment of the cost or effectiveness of online education.
- The Governor is not in favor of raising out of state tuition.
- It was noted that the classroom instruction is about 40% of the total CSU budget. Jim LoCascio noted that this seemed to be a typical value for most public school systems.
8. Second Reading Resolutions for May Plenary; Tom Krabacher:

- AB 386 (Levine): Public postsecondary education: Cross-Enrollment: Online education at the California State University. Tom pointed out that this bill was amended to drop the common numbering system that FGA found objectionable. In its current form the committee will continue with its resolution in support of the bill.
- AB 387 (Levine): Public postsecondary education: California State University: Online education. This bill was amended to drop the requirement that new courses must have a 10% online component. The committee will go forward with a resolution to support the bill.

9. First Reading/Waiver Resolutions for May Plenary:

- SB 241 (Evans): Oil Severance Tax. Tom Krabacher noted that there was a lot of opposition to this bill from (1) oil groups (2) environmental groups (3) tax payer groups. After it was amended to reflect proposition 98 and CSU education will get 1/3 of what is left after K-12 gets 40%. Jim LoCascio pointed out that hydraulic fracturing techniques will allow California to recover over 10 billion barrels of oil. He also pointed out that the late Governor Pat Brown built the CSU with tidelands oil in the 1960s. FGA prepared a resolution in support of this legislation -- AS-3128-13.

10. Planning for the ASCSU Social:

- The FGA committee divided into three groups -- purchasing, set up and clean up for the social.

11. Legislative Update; Teleconference with Karen Y. Zamarripa, Assistant Vice Chancellor of Advocacy and State Relations:

- Wes Larson updated the committee since Karen was attending a meeting at San Jose along with some legislators.

12. Andi Merrifield, CFA Report

- Andi reported that the CFA will not support AB 520 unless amended. The CFA is in opposition to (1) contracting online course out of the CSU (2) charging students more than standard courses (3) there is a lack of standards (4) the meaning of “faculty sponsor” is not defined.
- The CFA supports AB 895 the formation of a committee to form an online education task force.
Andi commented that Governor Brown’s speech on funding higher education left out (1) health care costs (2) retirement formulas (3) Building Bonds pass through costs.

The unit cap of 150 is not being supported; but the CSU needs to (1) improve graduation rates (2) increase transfer rates (3) reduce the cost per degree.

The proposed budget includes $38 million for salary increases. There is no breakdown of how this money will be distributed. It was noted that the Chancellor was very concerned about the lowest paid employees.

Other concerns were (1) the lack of psychological care on campuses (2) the attacks on the ethnic studies programs.

13. Budget Update; Teleconference with Robert Turnage:

Robert reported that the May budget revise did not change funding for the CSU. It was noted that Governor Brown is being very conservative with his budget. He is forecasting a $2.8 billion surplus; while others are reporting a $4.5 billion surplus. It should be noted that proposition 98 requires that any increase in spending requires that 40% must go to K-12. Legislators are anticipating that the LAO will predict a better state income than the Governor.

The Governor wants better relationships among the higher education segments.

The CSU wants to increase enrollment by 15,000 students and is requesting an additional $54 million to accomplish this.

Robert entertained questions; (1) despite the fact that there has not been a GSI for the last 6 years the governor is not supportive of more pay for faculty (2) in response to floating out of state tuition it was pointed out only the BOT can make such a change (3) increased health care costs for CSU employees was rejected by a legislative subcommittee (4) retirement benefits are still in discussion in committee (5) building bond rates are expected to increase.

14. Chancellor Office response to FGA Sponsored ASCSU Resolutions:

Chair Soni distributed the CO response to the resolutions with appropriate color coding

15. Drafting ASCSU Legislative Principles:

Chair Soni presented 8 principles to the committee.

The committee decided to look them over during the summer.

Chair Soni will distribute them to the ASCSU for comment.

The finalized principles will then be presented to the ASCSU in the form of a resolution in September 2013.
16. **Adjourn 5:00 pm**

Meeting minutes submitted by Jim G. LoCascio, FGA vice Chair.