Fiscal and Governmental Affairs Committee Minutes
14 Sept. 2006:
Chancellor's Office

In Attendance: Chair, Jacquelyn Kegley; Vice Chair Buckley Barrett; David Hood; Frederick Hornbeck; Cristy Jensen; Tom Krabacher; Dick Montanari; Dennis Muroaka; Catherine Nelson; Paul O’Brien

Announcements
1. The October Interim will occur 19 October at 10 a.m. at the LAX Hilton. At the conclusion of the agenda, senators are invited to proceed to the LAX Radisson for the opening events of the 19-20 October CSU Conference on Facilitating Graduation.

2. Chair Kegley reminded the committee that our November gathering for the Committee and Plenary would take just two days, Wednesday and Thursday the 8th and 9th, since Friday 10 November will be a state-mandated vacation day or holiday.

3. Chair Kegley also announced we do have our December Interim set for Friday the 8th at the C.O. but that -- as in certain past years with FGA -- we might yet cancel or shift the meeting.

Agenda
1. T. Krabacher added an item on updating campus budget best practices.

2. Chair Kegley wanted us to consider library support needs for independent EdD programs.

3. Catherine Nelson officially proposed a review with Faculty Affairs of a measure on policies/practices for CSU executive compensation. She had previously sent out a draft.

Reports
1. CPEC Meeting (Kegley, Krabacher, Others)
-- There was a report given by Matt Gandal on The American Diploma Project, a project that aims to increase college preparation standards. Excellent comparison data was provided in the report and Kegley has sent this to Academic Affairs.
-- All three segments (UC, CSU, CCC's) testified as to affordability, and the CSU spoke about improving citizens' "financial literacy" such that prospective students would know more about the array of financial assistance programs available. Some CPEC leaders may push a student-loan bond, although skepticism exists about this idea.
-- FGA will attempt sending someone to the next CPEC meeting 26-27 September 2006.

2. Final Legislation Status
-- AB2168 (Liu: Common G.E.): Sen. Tarjan testified in the Capitol this Summer, and his efforts as well as those of other ASCSU representatives and FGA comments aided greatly in the defeat of this bill. FGA, ExCom, and other senators/committees had "gingerly" attempted what we might term "negative advocacy" on this in the Capitol during Spring 2006.
-- AB2951 (Goldberg: Capital Facilities Fees): Committee suggested that if the Governor approved this legislation, that the Board of Trustees might consider making any resulting mitigation fees part of our system budget. [On 30 September, the Governor did in fact sign the bill]

3. Systemwide Budget Advisory Committee
-- D. Hood reported that SBAC's recent assembly had a more collaborative character with more two-way communication than sometimes previously experienced. Priorities for the FY07-08 budget remain in the formative stage.

Business
1. Proposition 1-D (K-University Public Education Bond): Members approved sending this to the Senate as a waiver resolution on 14-15 September, but some mentioned again the possible need for extra money to offset local infrastructure effects (mitigation per Goldberg bill above).

2. Resolution on CSU Executive Compensation (C. Nelson/Sonoma)
-- Catherine Nelson had sent a full draft of this recommendation earlier with resolved clauses and rationale for our consideration. The Committee held an extensive discussion on the tone and specificity of this item and on its political aptness in the current bargaining situation. Representative arguments: Some communicated that this topic should be left up to CFA; some that we should leave it alone completely; some that the system has experienced supply-and-demand difficulties in attracting and retaining presidents/MPP staff such that certain retirement/resignation perks may be necessary; and some that ASCSU does have a dabbling history of commenting on salary comparisons between faculty and administrators. 
-- Conversation and consultation continued on this matter throughout our day together. Faculty Affairs and others spoke with us; and, after various modifications, the resolution narrowly passed out of Committee 5-4 and headed for the Plenary with co-sponsorship by FA and with a request for waiver of the second reading. 
-- Senator Nelson was commended for her efforts in drafting and re-drafting the recommendation.

3. Monitoring of State Legislation: Assignments and methodology for our traditional job of monitoring were pushed off a bit as we await the arrival of a new two-year session in January 2007; nevertheless, we anticipate continuing our collaborative communications and efforts with the CSU Sacramento Office, with Alison Jones and Patrick Lenz, and with others as feasible in developing the FGA action priorities for AY2006-07.

4. CSU Conference on Facilitating Graduation: ExCom member Reichman and FGA Chair Kegley updated the Committee on logistics for the conference on 20 October at the LAX Radisson, and members were encouraged to register and attend if at all possible. ExCom needs help from some senators in acting as session facilitators.

5. Library Support Needs for Independent EdD Programs: Sen. Kegley brought forth this item as part of her liaison duty to the CSU Council of Library Directors (COLD) and described the basic issue of somehow funding this un-funded mandate. Barrett shared
draft information and numbers he has acquired from his Dean at the SB library on behalf of COLD. Krabacher and Barrett will work on a draft resolution for this question to be brought to the Committee in November and possibly with a waiver.

6. Best Practices Survey of Campus Budgeting Governance (Krabacher)
   -- The Committee approved re-introducing this item carries from FGA 2005-06 business after hearing from Sen. Krabacher on the advisability of updating an original 1998 survey/report (Jensen et al.).
   -- A working group of Krabacher, Muraoka, and Montanari will take ownership of the matter.
   -- Discussion ensued on good or common practices; on the "eternal question" of how we almost never review the entire CSU or campus base budgets from zero up; and on the developmental process of budget increments, decrements, and priorities.

Time Certain
   -- In constructing a proposed budget for B.O.T. approval, the Chancellor's Office will this year consider at least two variants because of the question of which gubernatorial candidate might win the November election; and the C.O. will as always look at sometimes-conflicting methodology employed by the Legislature versus the Dept. of Finance.
   -- The incremental 15-to-12 graduate differential funding appears safe.
   -- Mr. Lenz does not expect as strong a general economy as recent news might imply. Therefore, he believes we should not anticipate an extra $7-8 billion in State revenue.
   -- In spite of the latter, the Chancellor's Office will advocate with DOF for agreement that the Compact should be viewed as a floor and not a ceiling.

   -- Approximately 12 bills of CSU interest went to the Governor for consideration. A key selection follows below.
   -- AB2813 (Student Aid Age Ceiling): Hopeful. [Approved by Gov.]
   -- AB2951 (Goldberg: Capital Facilities Fees): Some optimism for veto. [Signed as noted above]
   -- SB682 (Sutro Library/SFSU-State Library Jt-Use Facility & Funding): [Approved]
   -- SB160 (Fin. Aid for Aliens without Other Legal Status): [Vetoed]
   -- Early Assessment Bill: Appeared headed for veto.
   -- SB1543 (Alarcon/Romero: Career Tech. Ed./CTE): Unclear if UC supported. A long discussion occurred with Mr. Jones concerning the difficult history of trying to strengthen CTE high-school courses to better meet UC/CSU A-G requirements. [Approved]
   -- Proposition 1-D Bonds: Outlook close. Polls were showing 51-52% approval, but bond numbers at this level tend to decline as elections near. Housing and levee bonds look stronger. CSU will make a concerted media effort on behalf of 1-D.

Respectfully Submitted,

Buckley B. Barrett