

Fiscal & Governmental Affairs Committee

MINUTES

Friday, February 20, 2009

1. Call to order

2. Present: David Hood, Diane Guerin, Buckley Barrett, Praveen Soni, Fred Hornbeck, Otto Benavides, Catherine Nelson

3. Agenda: Amended and approved.

4. Minutes for January 22, 2009: Approved.

5. Announcements

Governor will sign budget today;

Executive Vice Chancellor Reichard retirement effective July 1, 2009; two Senators appointed by ASCSU Executive Committee to search committee to find replacement (Chair J. Tarjan, Immediate Past Chair B. Pasternack). Sen. Nelson suggested and others endorsed a wider call to the Senate for nominations as a more inclusive and democratic method of selection.

6. Visitor Communications

Executive Committee, B. Pasternack: No report.

Academic Affairs, A. Boyle re DNP 1:45 p.m.: (see #12 below)

Standing Committees (other than cited): No report.

Robert Turnage, 1:00 p.m. call in (Joint with Executive)

Budget covers next 17 months, 1st time this has happened, essential for CA to be able to access credit markets, reassure investors; currently rating lowest of all 50 states;

CSU under circumstances does pretty well, similar to early January proposal of governor

Possibility of \$50m additional cut, contingent upon determination by Director of Finance and State Treasurer whether or not CA receiving at least \$10b from federal stimulus package (through 6/2010). That money has to be fungible with state general fund in order to be used to offset general fund spending

Federal Recovery and Reinvestment Act – some pots can offset general fund monies, need discussions with CSU, Director of Finance, Treasurer to determine; If do get 10b, \$50m additional cut switches off; Cut will be in 09-10 fiscal year; UC facing same contingent cut. Should we receive ANY amount less than \$10b fungible, the trigger causes our loss of the added \$50m;

Some issues in budget pulled out for discussion in budget committees “without prejudice”, mostly policy questions needing more time for review; CSU items in this category – \$3.6m Governor’s proposal for additional cohort of BA Nursing students; and 6 capital outlay projects 325m funded out of state lease revenue bonds (issue here overall debt capacity state has);

May revise will be in June 8 – a lot riding on decisions voters asked to make on May 19, including changes in state lottery that would allow state to sell rights to stream of lottery earnings to investors to get \$5 up front;

CSU fiscally challenged rest of 08-09, 09-10; \$66m reduction hits current fiscal year, continues to 09-10, essentially permanent; 10% cut in press not precise, measured off of state general fund monies (including growth money, colas) should have under Compact, includes \$66m reduction; so foregoing \$217m increase should have received under Compact, and losing \$66m that used to have in 07-08 base; together \$283m, that figure almost 10% of general fund \$ under Compact;

General fund reductions offset by student fee increases, actually climbing a little above 07-08, but mandatory costs rising at same time, so creating operating deficit of \$22m – this before consideration of \$10b contingency, if that fails, deficit \$72m; translates to .5-1.5% deficit; this manageable with belt tightening;

Keep in mind 1. Course of state's economy uncertain but apparently continuing in down direction, real possibility new gap could open up for state in next 17 months and could be back in another exercise; 2. May 19 special election: if lottery change not approved, \$5b hole in budget from that alone, plus other lost and considerable amts. from other election questions;

Enrollment target unchanged from 07-08, bill signed today includes this; we are over that target systemwide; this second consecutive year not getting enrollment growth funding, can't sustain 10-11k ftes over target without serious damage to quality; LAO will bring issue up in committee hearing;

At least \$6b at risk in May 19 election (redirection of \$ in Prop 10/anti-smoking, 63/mental health services); if voters approve spending cap, tax increases in budget have another two years of life, go to June 30, 2013 instead of expiring June 20, 2011; legislators (Republicans) trying to create dilemma for groups campaigning against spending cap, because if voters don't pass spending cap, will have two fiscal years where \$14b in tax revenue will fall away;

7. **Career Tech Ed**, Krabacher: No report.

8. **CPEC**, Krabacher: No report.

9. **CSU Quality Statistics Dashboard**, Nelson

Faculty (Full time/Part Time Faculty; Tenure Track/ Lectures); diversity (ft/pt by demographics); students (FTES actual; headcount; applicants v. admits; transfers; graduation rates, time to degree); faculty status (promotions, retirements, resignations, new hires); budget (FTES actual/budgeted; marginal cost of instruction per FTES breakout; comparison of broad categories of institutional support and instruction; administration (MPP's over time); staff (support purposes, same numbers as faculty) salary (average faculty by rank, MPP's); have to figure out access to PIMS database; have hard copy of much of the online data from our local director of institutional research; target audience ACSCU; concept is to report in Fall, data not available until Spring/Summer.

Action: Add VSA? Admin support staff vs. instructional support staff? Check Long Beach website;

10. **Budget & Bills:** ASCSU Budget Specialist Report, Hood

AB 24 Block - CSU Chula Vista

AB 48 Portantino - Private Postsecondary Education (recreate part of Dept of Consumer Affairs dealing with proprietary universities, reestablish some oversight)

AB 69 Duvall - Statewide four year fee cap policy

AB88 Davis - State employees can't spend \$ until appropriate in budget (negotiate all raises want, but unless budget includes raises, can't spend)

AB 218 Portantino - CPEC got gutted, reports removed, replaces some of them; dropping list of comparison institutions, keep in;

AB 224 Portantino - Postsecondary Ed keeping audio records of all public higher ed governing boards

AB 253 Fuller - Pilot program in Career Tech

AB 37 Furutani - Public postsecondary education honorary degrees (anyone who was interned by Executive Order 9066 2/19/42, granted honorary degree)

SB 15 Cedillo - Student financial aid for members of armed forces (in or out of state)

SB 48 Alquist - College textbook costs

SB 147 DeSaulnier - Career tech. ed. (CTE)

SB 160 Cedillo - Student financial aid, institutional financial aid eligibility, grants scholarships work study; if exempt from out of state tuition, quality for state university grant; (currently eligible for in state tuition,);

11. **April Lobby Day in Sacramento with Executive Comm.:** logistics and priorities discussed. Draft list of legislators and ASCSU teams distributed; Barrett and Krabacher will head up planning;

12. Other Business

McCauley Public-Employee Pension Reform Act (08-0018)... Initiative signature stage, ballot for June 2010 - Eliminates certain constitutional restrictions on renegotiating public employee pension contracts; allows vested pension to be reduced for existing and prospective public-sector retirees;

Action: FGA watch, find out who would negotiate changes in pensions for CSU faculty: CFA, Chancellor, multiple agents,

Public School Investment and Accountability Act." Calls for a 1 ½ % increase in the state sales tax to fund k-12 and community colleges (k-12 would get 89%, community colleges 11%). The tax could not be cut by the governor and legislature, could not be withheld during difficult budgetary times, and could not be diverted for other uses. (Note: The initiative is currently awaiting an official title and ballot summary from the Secretary of State's office)

Action: FGA watch. Empathy for K-14 but concern that this form of initiative big factor in facilitating current mega-crisis with state budget.

AB 24/Block - CSU Chula Vista. Would require Trustees by 1/1/11 to conduct feasibility study about establishing CSU satellite program, ultimately, independent CSU campus, at Chula Vista; might help SDSU with overcrowding; large underserved population; state would pay for study;

Fullerton concerns: no new campuses in A2E Plan, no consideration of unmet needs, but this proposal impacts others who are not getting campus;

Action: FGA watch, perhaps write resolution re: strategic plan/study of where expansion of CSU is most appropriate given demographic changes, education needs of state; A2E didn't address this, needs to be done; discussion of who most appropriate to conduct the study, expanding it to all institutions of higher education in state. Ascertain CSU position at this time;

SB 48/Alquist - Textbook Costs [again!]: Would express intent of legislature to enact legislation relating to affordability of college textbooks and promotion and use of online textbooks; no substantive content at this point (i.e. placeholder shell);

Action: FGA watch, especially possible fiscal effects and effects on academic freedom; perhaps be proactive in talking to Alquist about our concerns;

AB 69/ Duvall - Student Fee Caps/Policy: Would set fees for a four year period to allow students to budget accordingly; need to clarify meaning, ie., fees set for four year period for each incoming class (rolling fees) or fixed fees for a four year period. May encourage students to finish in four years, though transfers would only benefit for 2 years; average time to degree closer to 5 or 6 years; students on same campus may end up paying different fees, though some of that now; troublesome in different ways, cumbersome for system to deal with, inequities;

Action: FGA watch;

13. **Recommendations for Consideration/Review**

Response to CFA/Pell Report on "Calif. at the Edge of a Cliff:" FA, FGA Co-sponsor

Action: possible resolution from Tom, Hank, Buckley for March meeting; comments to Tom, Buckley in next three weeks;

Faculty Support for Energy Conservation (AA). FGA Co-sponsor?

Action: May be withdrawn.

Doctor of Nursing Practice (DNP): Andrea Boyle, AA preparing draft resolution, FGA Co-sponsor? UC tepid in its support, but Admin would like resolution of support; AA asking FGA to co-sponsor, then, if waiver in March, take to Sacramento in April; focus of resolution is on supporting authorization to offer DNP when funding is available; UC's produce research phd's, but can't fill capacity for nursing educators; this is where CSU steps in; in associate nursing programs, educators have bachelor or masters degrees, looking here to move toward higher standards;

Action: FGA co-sponsor; email suggestions re: changes to Andrea Boyle, aboyle@sfsu.edu;

14. **Adjournment:** 3:00 p.m.