

Fiscal & Governmental Affairs Committee

September 10-11, 2009

MINUTES

Present: Edward Aguado, Michael Ault, Buckley Barrett (chair), David Hood, Thomas Krabacher (vice chair), Dick Montanari, Barry Pasternack, Praveen Soni, Billy Wagner, Darlene Yee-Melichar

Guests: Elizabeth Hoffman (CFA liaison), Robert Turnage (telephone conference), Allison Jones (telephone conference), Catherine Nelson (Executive Comm.liaison)

I. Call to Order: Chair Barrett called the meeting to order at 10:06 a.m.

II. Agenda: The agenda was approved as amended.

III. Minutes: Minutes from the May 6, 2009 meeting were approved.

IV. Announcements: Chair Barrett made the following announcements:

- Voluntary orientation session for new senators will occur over lunch Thursday.
- Friday (9/11) schedule has altered; committees will meet from 8-10:00 a.m. & the plenary will resume at 10:15 a.m.

V. Reports:

David Hood: reported on the budget and legislation. Key points:

- “We don’t have friends in the “Department of Finance”: their goal has been to determine how much they could cut from higher educ. w/o triggering federal ‘maintenance of effort’ requirements.
- Budget projections for next year look grim; CSULB, for example, planning for an additional 15 percent reduction in 2010-11.
- As far as legislation goes, everything is currently in flux with deadline for changes tomorrow (Friday, Sept. 11), the end of the legislative session.

VI. Visitor Communications:

1. *Elizabeth Hoffman (CFA) 10:15a.m.:* Reported on legislative interests:

- *SB 218:* on transparency in auxiliaries passed.
- *AB 656:* severance tax bill; author, Torrico will be making campus visits to generate support for the bill; it was suggested that information on these visits and a related postcard campaign be distributed to campus senate chairs.
- *SB 217 joined w. SB 282:* on Exec. Compensation – passed Assembly.

Discussion of budget & furlough impacts: CFA continues to push letter writing campaigns to local newspapers, student letters & complaint forms, activity at Sept. BOT meeting.

2. *Robert Turnage* (phone conference) Friday, September 11, 9:00 a.m.:

- *Legislation:*
 - Today (Friday 9/11) is the end of the regular legislative session; it’s the last day in which changes to legislation may be made. Results have been disappointing as far as higher education was concerned. Areas in which H.E. hoped to make progress— bond measures, simplification CalGrant administration—were stymied.

- Prospect of subsequent special sessions uncertain. Some speculation that there may be one called in response to further deterioration of state budget situation
- *Fiscal Matters*
 - A bill is before the legislature today directed toward managing an anticipated April cash-flow bump; will alter the schedule of general fund payments to state agencies, incl. higher ed.; basically, payments traditionally received in Feb-March will be delayed until May. Feels it won't be a problem for the CSU.
 - AB 656 (severance tax bill): Sees problem with bill as written:
 - Ultimate percentage distributions probably won't be as favorable to CSU;
 - Provisions could let it serve as an excuse to reduce general fund obligations to higher educ. over the long-term;
 - Governance & accountability issues are confusing;
 - More generally, the legislature sees the severance tax not as support for H.E., but as relief for the state's general fund obligations more generally.
- *Future State Budget Situation*: Hard to forecast given vulnerability of state revenue situation to state of the economy. Current 2009-2010 federal stimulus monies to CSU (\$640M) may be augmented a little, but not much. Does not see additional federal stimulus monies coming in 2010-2011. However, by accepting stimulus monies in 2009-2010, the federal "maintenance of effort" requirement will apply to state higher ed. funding in 2010-11. (Creates a bit of a firewall; this means state cannot cut H.E. funding any further.)
 - *Student fee revenue*: \$1.5B
 - *General Fund*: \$1.6B
 - (State funding usual \$2.3B, down to \$1.6B due to July 09 retroactive cut) Hopes state funding will return to \$2.3B next year.
 - Future pressures on state budget will include:
 - Prop. 98 repayments
 - Failure of recent propositions
 with which a new governor and legislature will have to grapple.

3. *Allison Jones* (phone conference) Thursday, Sept. 10th, 11:00 a.m.

- *Enrollment Mgt Issues*:
 - LDTP: proving larger & more expensive than anticipated; decision to preserve completed work to date, maintain course patterns of highest value; campus-specific items maintained at campus discretion. C-ID process will subsume LDTP course descriptors.
 - Aug 19th Workshop: All campuses represented. Self-set goals for 10-11 were 46,908 FTES over the 09-10 target. With current management efforts, it looks as if CSU will only be 1000 over planning goal (310,317 FTES [Note: 09-10 FTES: 342,893]).
 - We need to send the message that we are starting to deny access.
 - Message to BOT: We will not ask for increase in FTES;
 - UC and CCCs are going to be cutting back, reducing access, as well.
 - Summer Sessions: All campuses have the option to move summer sessions to self-support; all but SDSU have elected to do so beginning 2010.

Comment [EA1]: Do you mean 09-10 goals were over target?

4. *Catherine Nelson* (Executive Comm. liaison) Reported on the following:

- New senator orientation at noon;
- Jeri Escheverria's (Executive VCAA) report to Executive Comm. on impact of budget situation on Academic Affairs;

- No additional information on delay in appointing faculty trustee.

VII. Recommendations: The Committee recommended resolutions on the following:

- CSU budget priorities for 2010-2011;
- Faculty trustee appointment

VIII. FGA Interim Meeting Planning: October 16, 10:00 a.m. – Noon by telephone conference call.

VIII. Adjournment: The Committee recessed at 2:30 p.m. on Thursday and meet again from 8:30 a.m. to 9:45 a.m. on Friday.

Submitted by: Thomas Krabacher