



Fiscal and Governmental Affairs (FGA) Committee

MINUTES

Wednesday, January 19, 2011
10:00 a.m. - 4:30 p.m. - Coronado Room

Present: Darlene Yee-Melichar (Chair), Buckley Barrett (Vice-Chair), Edward Aguado, Michael Ault, Jim Meriwether, Dick Montanari, Catherine Nelson, Praveen Soni; William Wagner, III.

Guests: David Hood (ASCSU Budget Specialist), Thomas Krabacher (ASCSU Executive Committee Liaison), Barry Pasternack (AA Liaison); John Travis (CFA Liaison); King Alexander (President of CSU, Long Beach); Jim Blackburn (Student Academic Support); Margie Merryfield (Human Resources); Karen Zamarripa (AVC Advocacy and State Relations).

I. Call to Order: Chair Yee-Melichar called the meeting to order at 10:00 a.m.

II. Announcements and Updates: Chair Yee-Melichar made the following announcements:

- ASCSU plenary will begin tomorrow at 10:00 a.m.
- FGA's February interim meeting will be teleconference.
- **ASCSU Social hosted by FGA for March 2011:** Volunteers needed.
- FGA needs to identify a Legislative Lobby Day in April 2011.
- Chair Yee-Melichar asked if FGA is interested in weighing in on the CSU BOT's items on student tuition increases. This is the ten year Anniversary of ACR 73. Chair Yee-Melichar asked if the committee would like to acknowledge or recommit on this item.

III. Campus Reports; Liaison Reports; Member Items

- Senator Yee Melichar announced that there have already been discussions of the budget implications on her campus.
- Senator Ault reported on the December GEAC meeting: a discussion of SB 1440, the International BA, and High Impact Practices around the CSU.

IV. Consent Calendar

- Approval of December 3, 2010 meeting minutes.
- Approval of January 19, 2011 meeting agenda.

V. Consultations

1. *Karen Zamarippa, AVC Advocacy and State Relations (time certain 11:00 a.m.)*

- Budget. The Chancellor's Office has been meeting with various legislative members about the Budget. AVC Karen Zamarippa referred to the PowerPoint slides concerning the budget. She also mentioned this year's 10 percent student fee increase. The \$111 million that will be raised by fees is helping to buttress the impact of the budget announcement. She believed the BOT made the correct decision on this matter.
- There are many "risks and assumptions" in Gov. Brown's budget (e.g., June ballot initiatives). There is also a political strategy to shift power to the local governments.
- AVC Karen Zamarippa indicated that the \$500 million is a "best case" scenario. In a private conversation, the Governor indicated that if the June Ballot initiatives do not pass, the CSU could be looking at a \$1 billion cut.
- Senator Yee-Melichar asked about possible dates for FGA's Legislative Lobby Day (i.e., possible dates and issues). AVC Karen Zamarippa indicated that the best people to meet with are the Chairs and Vice-Chairs of committees.
- Senator Yee-Melichar also asked about the Academic Senate Faculty Trustee. AVC Karen Zamarippa responded that the Governor's focus is clearly on K-12 education.
- Senator Hood asked about the reduction of the cost of instruction. AVC Karen Zamarippa indicated that 85 percent of the budget is personnel, which is a problem.
- Also, the Council of Presidents met with the Chancellor and Senator Hood wanted to know what the strategy is. AVC Karen Zamarippa indicated that there are no "secret meetings with the Presidents, yet."
- Also, Senator Hood indicated that in previous budget challenges the administration reached out to faculty for "buy-in." AVC Karen Zamarippa indicated that this is also necessary.
- Senator Hood asked if there any plans for this from the Chancellor? Also, he wanted to know what faculty can do to assist. He emphasized the need for a unified CSU voice.
- Chair Yee-Melichar thanked AVC Karen Zamarippa for her report.

2. *Jim Blackburn, Student Academic Support*

- Enrollment issues. For the academic year, the target was 340,000 FTES. But these numbers were adjusted down to 317,000 and then the Governor's budget was announced and we went to 339,000 for the year. The best case scenario for 11/12 is a \$500 million cut. When you take all into consideration, it's about \$300 million system-wide. To adjust the enrollment to meet these cuts, we would have to reduce 11/12 FTES by 55,000, which is about a 75,000 reduction in students.
- Decisions about the 2011/12 academic year are still up in the air.
- Summer School Issue. Some campuses have asked for flexibility on the issue and it seems like it will be possible. The worst case scenario implies cuts of "hundreds and millions of dollars more."
- Chair Yee-Melichar thanked Jim Blackburn for his report.

3. *John Travis, CFA Liaison*

- Budget. There is a meeting/discussion this Friday concerning “targeted cuts” for the CSU. There will be Academic Senate, student groups, and labor groups represented. There were concerns about the language used by the Chancellor in describing an 18 percent cut. CFA had concerns about the “dire” language. CFA calculates that the cuts will be about 4.5 percent.
- Bargaining. There has not been a meeting since December 2010 and there will not be one until the middle of January. “Bargaining has not been pretty fruitful at this point.” The Chancellor’s Office appears to want to take back several proposals that were included in the past two contracts (i.e., job protection for lecturers). The administration seems intent to modify this language in the contract. Also, since the budget announcement by the Governor, there is deep concern about issues of faculty compensation. CFA is waiting for the Chancellor’s Office to address this.
- Legislative Platform. Senator Yee will be introducing a bill (SB 8) to revive SB 218 that was vetoed by the Governor. Also, CFA is planning to again push for a dedicated funding stream for the CSU (i.e., oil severance tax).
- CFA is also concerned about Higher Education nation-wide. Many of the organizations (i.e., NASH, ACE, etc) considering the future of Higher Education are being led by administrative heads and not faculty.
- Also, Chris Garland has taken a position with Lt. Governor’s Office.
- John Travis answered questions from the FGA committee.
- Chair Yee-Melichar thanked Professor Travis for his report.

4. *King Alexander, President of Long Beach (time certain: 1:00 p.m.)*

- Chair Yee-Melichar asked President Alexander for his advice about the FGA advocacy brochure.
- Lessons from last year: protections in stimulus language (maintenance of effort) prevented more significant cuts, budget (2 yrs ago) immediately cut budget to minimum of maintenance level;
- The biggest loss is losing House, won’t be a third stimulus package. A third stimulus would have protected us at 05-06 level, now we are knocked down to 99-2000 level;
- 47 governors signed on to keep maintenance of effort language out of higher education appropriations bills;
- When lobbying in Sacramento, let them know how valuable “Maintenance of Effort” language was to protect us, get it into everything we can in Washington D.C., even K-12 bills (ESEA, Elementary Secondary Education Act); can’t separate protection of education from protection of budget;
- Governor and inefficiency in higher education; we need to let the Legislature know we are one of the most efficient systems in the country; that means we spend less on each student than other systems – R1 schools spend incredible amounts on students who don’t need it; see chart 5C in his slides (pg 5), 10 of nations top 20 colleges most efficient are CSU institutions; we might consider adding this to our FGA advocacy brochure. In other words, we do most with less of any institution in country, they want us to be even more efficient; add this to 5A, we have higher degree of needy/costly students than most of peers compare ourselves nationally; we spend less in every category (e&G), and spend less on those students everybody knows need more spent on them; Fed title 1 augmentation \$ to help students become title 1 comps

- we have same argument as these folks; 5D 8 of nations least costly CSU (of 103 comparison w 15k or more);
 - spend less and educating some of costliest students in country, go to 6A outcomes, mid-career earnings some of best in country
 - start talking about rewarding comparatively good behavior; Senator Yee-Melichar, if I was a legislator, would I ask why not charge more tuition? President Alexander responds 40% increase in student aid in last 2 years (CSULB), see tuition and fees as part of larger component of what is coming out of WA; need to see larger picture, how well are our students protected? Now payback on loans at 10% of earnings; relationship among CSU, feds, state has to be larger context; institutions around country asking for charter status from states, allows to charge what want, serve who want (going for out of state students); following U of VA model;
 - how factor quality into argument? Put \$ where quality degrees are produced for least \$; and already incredibly efficient, cut to the bone, how much lower do they want us to go? Need federal title 1 for higher ed institutions;
 - use his type of data if going to talk about degree production as a goal;
 - CSU serves 5% out of state students, giving up significant funding to do so; not rewarded for this;
 - We serve the costliest students and we have the least amount of money to do it; we are the public university the public wants, but the public doesn't know it; used to believe ACE is right, don't distinguish among the institutions, good for ACE, R1 institutions down to 12% Pell eligible students; educate decision makers first; LAO shocked by a lot of this data; he doesn't think LAO will be on our case as have been for;
 - Montanari have to sell best quality education; President Alexander uses mid-career earnings to demonstrate; cost, value, lack of debt best data here according to king; see campus public goods pages;
 - President Alexander ended his presentation with a quote, "Peace is over-rated especially when you're at the bottom."
 - Chair Yee-Melichar thanked President Alexander for his advice, time and willingness to work with us on the FGA advocacy brochure.
5. *Barry Pasternack, Academic Affairs Committee Liaison (time certain 3:30 p.m.)*
- Principles in Dealing with Reductions in State Funding for the CSU.
 - Summer and Extended University Issues and the memo from Ephraim Smith. One issue with moving from state-support to self-support is the tuition buy-down for employees.
 - Also, according to the Chancellor, he receives "flack" because of tuition increases. Senator Pasternack suggested we think about some underlying principles that might guide us during this time. At that time the committee discussed the proposal presented to the committee. The committee decided to reconsider this proposal at a later FGA meeting.
 - Chair Yee-Melichar thanked Senator Pasternack for his advice and willingness to work with us on the proposed principles.
6. *Margie Merryfield, Human Resources CSU (time certain: 4:00 p.m.)*

- Senator Montanari introduced the issue of a consistent methodology for counting faculty and their workload as well as calculating the SFR on campuses.
- Chair Yee-Melichar thanked Margie Merryfield for her comments and willingness to work with us on the proposed resolutions.

VI. Fiscal Affairs

1. FGA discussed and provided input for revision on the following resolutions:
 - Adequate Financial Support for the Academic Senate CSU (ASCSU).
 - Fiscal Concerns on Implementation of Early Start Programs
 - Sale, Distribution or Publishing of Class Materials for Commercial Use (will co-sponsor with FA)
 - Consultation about the American Association of State Colleges and Universities' (AASCU) Red Balloon Project
 - Support of the Development of a Consistent Methodology for the Analysis of Student-Faculty Ratio and Intra and Inter Campus Expenditures on Instruction
2. FGA discussed the need for follow-up on CSU Board of Trustees' Finance Committee Report.

VII. Governmental Affairs

1. Chair Jim Postma has put out a call for new committees related to AB 867 (Nava): CSU DNP and AB 2382 (Blumenfeld): CSU DPT.
2. SB 724 (Scott) – CSU Ed.D. The legislatively mandated evaluation report will be released this month.
3. FGA discussed a resolution related to AB 1295 (Fuller) – Postsecondary Education: Nursing Degree Programs. It was presented in first reading at the last plenary meeting. Chair Yee-Melicher asked if there were any suggested changes to this resolution. Minor edits were noted.
4. FGA Legislative Lobby Day. Tentative Date: April 5, 2011. Senator Wagner indicated that the Sheraton Grand Hotel has a state rate of \$84.

VIII. Action Items

- **AS-2996-10/FGA/EX/ASCSU**, Commendation for Allison Jones, Assistant Vice Chancellor of Student Academic Support will be presented
- **AS-2981-10/FGA**, Adequate Financial Support for the Academic Senate CSU (ASCSU) will be presented in second reading
- **AS-2993-10/FGA/APEP**, Fiscal Concerns on Early Implementation on Early Start Programs will be presented in second reading. Senators Soni and Meriwether reported on the development and rationale of this resolution. Discussion ensued. Senator Montanari raised issues of financial assistance for students participating in the Early Start Program. The committee discussed the language of the resolution.
- **AS-2992-10/FA/FGA**, Sale, Distribution or Publishing of Class Materials for Commercial Use will be presented in second reading with FA as sponsor and FGA as co-sponsor.
- **AS-2997-10/FGA**, Resolution Regarding Consultation about the American Association of State Colleges and Universities' (AASCU) Red Balloon Project will be presented in second reading.

- **AS-2994-10/FGA/AA**, Call for Intersegmental Collaboration on the Implementation of AB 1295 (Fuller) – Postsecondary Education: Nursing Degree Programs will be presented in second reading with FGA as sponsor and AA as co-sponsor.
- **AS-3006-10/FGA**, Support of the Development of a Consistent Methodology for the Analysis of Student-Faculty Ratio and Intra and Inter Campus Expenditures on Instruction will be presented in first reading.

IX. New Business.

1. Chair Yee-Melichar asked the committee to consider CFA’s Legislative Proposals and other sources for Legislative Proposals.
2. Also, Chair Yee-Melichar asked the committee to review A2E strategic plan, CSSA’s UPAC report, CSU BOT’s Finance and Legislative reports, and CPEC report for possible action items (discussion, resolutions)..

X. Adjournment: The Committee adjourned at approximately 4: 25 p.m.

Submitted by Michael Ault with assistance by Catherine Nelson.