

Fiscal & Governmental Affairs Committee

MINUTES

May 6-7, 2009

Present: Buckley Barrett, *Chair*, Otto Benavides, Diana Guerin, David Hood, Fred Hornbeck, Thomas Krabacher (vice chair), Dick Montanari, Catherine Nelson, Praveen Soni

Guests: Karen Yelverton-Zamarippa/Robert Turnage (telephone conference), Allison Jones (Chancellor's Office), John Travis (CFA), Barry Pasternack (ExCom liaison)

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

II. Agenda: The agenda was approved as amended.

III. Minutes: Minutes from the March 18, 2009 meeting were approved.

IV. Announcements: Chair Barrett made the following announcements:

- FGA will host the Thursday evening social... logistics were discussed.
- Faculty Affairs is open to FGA co-sponsoring a resolution on protecting instruction during times of budget difficulties;
- An additional item, a proposed resolution on CSU funding and a predictable student fee policy (Hornbeck), will be added to the Committee's agenda.

V. Reports: Senator Hood briefly reported budget and legislative activities in Sacramento; things are pretty much on hold until after the May 19th election. Legislation is moving slowly and almost all bills with a fiscal impact are on suspense, even some with negligible or purported costs lower than the normal suspense threshold. The state budget is in terrible shape; revenues are falling behind; and budget planning is closely tied to measures on the May ballot. The discussion of pending legislation merged with the discussion on that topic with Karen Yelverton-Zamarippa (below).

VI. Visitor Communications:

1. *Karen Yelverton-Zamarippa & Robert Turnage* (phone conference) 10:30AM: Topics discussed included:

- Budget: growing realization in Sacramento that May 19th propositions will likely fail ... this means:
 - Props 1C, 1D, 1E; will affect next year's budget; will cost budget revenues \$6 B [Prop 1A: takes effect the following year (13 months away)];

- Falling collections expected to further reduce state revenues by \$10 B
- In addition, other factors could add an additional \$2 B to this, bringing deficit up to \$18-20 B. (Approx. 18-20% budget cut);
- Key Date: May 28th, expected release of delayed May revise, the starting point in earnest for budget discussions, when hard decisions will have to be made.
- CSU recognizes it will have to take big cuts and is urging that the university be notified of this as soon as possible to allow for planning. The expectation is that what we are budgeted for in the May revise is likely to be pretty close to what we will ultimately receive.
- If propositions fail, there will be little support for any form of tax increase.
- Chancellor's Office has been discussing contingencies, but feels it premature to discuss these publicly. Presidents have been advised to do the same.
- Pending Legislation:
 - *AB867: DNP*. Bill is at risk of being held up due to fiscal considerations; there has always been the assumption that some sort of fee differential will be charged, but all reference to fees has been removed from bill,
 - *SB147: (DeSaulnier) CTE*: CSU has been opposed to it; current amendments in effect requires CSU to repeat the BOARS process. CSU will argue that it will cost \$200-\$400K over first two years. GetReal! advocates are still pushing to bifurcate CSU mission from UC.
 - *SB386 (Runner) Textbook Cost/Benefit Analysis*: Publishers have been successful in arguing that the textbook cost issue is primarily the responsibility of campus bookstores and faculty. Has passed out of Senate Ed and is headed toward appropriation w. bi-partisan support.
 - *AB1455*: CCC Baccalaureate degree: Would have allowed CCCs to start offering baccalaureate degrees. Bill currently to be amended to restate current law allowing CCCs to work with UC and CSU in offering undergraduate degrees

Karen was requested to inform the Committee of those bills where ASCSU actions can be of concrete help in developing a CSU response.

2. Allison Jones (Chancellor's Office) 11:15AM:

- Provided further discussion of the CSU response to SB 147 in particular and the CTE issue in general; The CSU is now trying to work with other parties (Jack O'Connell, the three higher educational segments) on a system level. Lengthy discussion ensued in which the frustration felt by the CSU in trying to deal with this issue became apparent.
- Authority to grant honorary degrees to Japanese WWII internees; an approach adopted by the UC in this matter may or may not provide a model for the CSU.

3. John Travis (CFA) 11:40AM: Reported on:

- CFA's opposition to Proposition 1A: Key points, it's a constitutional amendment that locks in place a *de facto* spending cap and a low one at that. Other problems: Ballot-box budgeting writ large; would eliminate likelihood of restoration of past

cuts; problematic legislation is set to accompany its passage (e.g., give much more power to governor to make unilateral mid-year budget cuts).

- CFA's two sponsored bills:
 - *AB656 (Torricco): Oil Severance Tax*. A lot of support in Dem. caucus, possibly some support from Rep. caucus. More receptivity than anticipated, enough to make it a fight
 - *AB 218 (Yee)*: Calls for additional transparency in the auxiliaries.
- Senator Nelson asked about the CFA's position on *SB386 (Runner) Textbook Cost/Benefit Analysis*; he stated he would look into the CFA position.
- Senator Hood asked about CFA contingency plans for coping with anticipated budget cuts. He responded that contingency planning over its implications for hiring and possible lay-offs is taking place. Specific points:
 - It's important to note that with reduction in part-time lecturers, the system is down approximately 2% in FTEF.
 - Furloughs: CFA considers them a reduction in pay and would need to be negotiated. CFA has yet to take a position on whether furloughs would be preferred to lay-offs.

4. *Barry Pasternack (Exec. Comm. liaison) 1:05 p.m.*: Met with the Committee to ask, on behalf of the Executive Committee, to consider the following:

- The Executive Committee raised questions about the migration of state-supported courses to self-supporting special sessions. (See recommendation below.)

VII. Recommendations: The Committee:

- Re-affirmed co-sponsoring w. resolution on honoring WWII alumni internees; Committee will continue to co-sponsor.
- re-affirmed its co-sponsorship of resolution on migration of state-supported courses to self-supporting special sessions;
- Discussed introducing (possibly co-sponsored with Academic Affairs) a resolution supporting legislation (SB48) calling for the development of electronic textbook versions; it was agreed to not send the recommendation forward at this time;
- Considered the possibility of recommending a resolution on CSU funding and establishment of a predictable fee policy proposed by Senator Hornbeck; after discussion it was decided it would be more appropriate to introduce the resolution in the Fall;
- Recommended a resolution to the body in supporting SB 218 (Yee), "Amendment to California Public Records Act"; a waiver will be requested.
- New resolutions on the following, for which a waiver will be requested, were sent forward:
 - Resolution in support of AB 656 (Torricco) Oil Severance Tax
 - Resolution on SB 218 (Yee) amending the Public Record Act [Open records for CSU auxiliaries, w. recognition of appropriate anonymity for donors]
 - Principles for Evaluating Systemwide Graduate Program Fee Proposals

- Resolution in opposition to SB 386 (Runner), Textbook bill (would require written faculty justification for changing textbook editions inside 3 years)

VIII. Adjournment: The Committee recessed at 3:00 p.m. on May 6th in order to purchase comestibles for the next day's social hour. The Committee reconvened at 9:00 a.m. on Thursday, May 7th and adjourned at 9:55 a.m.