

Fiscal & Governmental Affairs Committee

October 10, 2008

MINUTES

CSU Chancellor's Office – Room 210

Attending: Buckley Barrett (chair), Otto Benavenides, Diana Guerin, David Hood, Fred Hornbeck, Thomas Krabacher, John (Dick) Montanari, Catherine Nelson, Praveen Soni

Guests: Robert Turnage (AVP for Budget), Kathy Radtkey-Gaither (CO/AIR), Barry Pasternack (Exec. Comm. liaison), Allison Jones (CO/AVP-AA)

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

II. Agenda: Agenda approved with addition of item VII.

III. Minutes: Minutes from 9/11/08 committee meeting were approved.

IV. Announcements: Chair Barrett made the following announcements:

1. A sympathy card is circulating for Ann Peacock
2. Catherine Nelson has agreed to serve as the Committee representative on the CLA assessment working group.

V. Reports:

- *Senator Hood* briefly reported on the status of legislation passed during the Legislature's 2007-2008 session.
- *Senator Krabacher* reported on the formation of the CTE Task Force.
- *Senator Pasternack (Exec. Comm. liaison)* reported that Keith Boyum informed Exec. Comm. that campuses will be asked to prepare scenarios for a 3% and 7% mid-year cuts to 08-09 budget. (These would translate into 6% and 14% cuts for spring semester.) Chancellor's Office is asked to prepare for a 7% reduction.

Andy Merrifield, in speaking to campus senate chairs, indicated PPIs will be funded, with the first cycle for those full-time, tenured faculty hired prior to 1988-89. It is not clear at this time whether equity increases will be funded. The CFA Board will meet next week to discuss their position on funding salary increases.

VI. Times Certain:

1. **Robert Turnage**, Assistant Vice Chancellor for Budget and **Kathy Radtkey-Gaither**, Office Advocacy & Institutional Relations (10:20AM): They discussed the following with the Committee:

- Budget: The 08-09 budget is now seen to have been based on overly optimistic assumptions, a reflection in large part due to the state of the national economy, which has led to lower than anticipated state revenues (down by \$1.1B in first quarter) and made it difficult for the state to borrow to meet short-term cash needs. There is likely to be a special session of the Legislature to address this; additional mid-year budget cuts are likely.

The CSU is not anticipating any additional cuts at the moment, nothing has been decided, but the Chancellor's Office is monitoring the situation and budget reduction scenarios will be requested of campuses.

- Legislation : Given the budget delay the Governor vetoed a large number of bills, pro forma. The status of bills of interest to the CSU was summarized. (Detailed information to this end is contained in Senator Hood's legislative status report circulated to committee members prior to the meeting.)
- Future Legislation: CSU hopes to reintroduce the nursing (practice) doctorate bill and one or two others next session, but expects few bills to move during the coming year due to the state's fiscal situation. CTE-related bills will almost certainly return in the next session.
- Election-Related: *Ballot propositions*: several newspapers have come out recommending voting against all propositions with a fiscal impact. These include several bond measures that would affect CSU.
- Negotiations with CFA: Discussion of possible budget-driven contract reopeners is just getting underway.

C. Allison Jones, AVC: The following were discussed with the Committee:

- EAP: The importance of the passage of SB 946. About 75% of Calif. High school students now take the EAP; the community colleges coming on board further strengthens it. It remains voluntary, not mandatory.
- CTE: His office hopes to have an item of support for CTE on the January BOT agenda. In the Capitol and among CTE advocates there seems to be a perception that the CSU is not supportive of accepting CTE courses as meeting the Area A-G requirements.
- An additional on-going issue is the perceived bifurcation of the university admission process in CA: since the CSU admits lesser qualified students than the UC, the argument by some CTE advocates is that the CSU should have no objection to accepting all CTE courses. However, a bifurcated admission process would be a nightmare. High school counselors oppose such a concept because it would greatly complicate their workload. The CSU is seeking UC support in opposing any effort towards bifurcation.
- Admission/Enrollment strategies: the CSU will hold firm during the coming year on only admitting the students for which the system is funded. The message to campus presidents is that they must manage – up or down – their enrollment to meet its funded level. This is accepted by the BOT as way of abiding by the Access to Excellence document, which emphasizes a quality educational experience. In addition, it is

necessary to adhere to funded enrollment targets in order to stave off legislative attempts, such as the one in 3/08, to re-benchmark our funded enrollment target. [Allison Jones acknowledged that this means the CSU must deal in some way with the current 11,000+ unfunded over-enrollment; this is harder to do than usual at this point, because in economic hard times retention rates rise, making it difficult to manage enrollment “down.”

VII. Consideration of Committee Charge

Catherine Nelson suggested the Committee consider ways it can be more pro-active and less reactive in addressing budget issues. Particularly, can the Committee move beyond merely considering annual incremental budgeting and look at baseline budget questions as well. Senators Hood and Guerin suggested that the most effective approach is not to track dollars *per se*, but to track trends (i.e., changes over time in the funding of particular units or initiatives).

The Committee agreed to take this up again at its November meeting with an eye to identifying, in as a first step, categories of expenditure that might be monitored as indicators of more general trends.

VIII. Committee Recommendations

1. The “Advocacy for the California State University” resolution (AS-2864-08/FGA) was revised for second reading at the November, 2008 plenary. Additionally, Praveen Soni has drafted a rationale as requested by ExCom.
2. A resolution entitled “Commendation for Executive Vice Chancellor Richard West” was prepared for consideration at the November, 2008 plenary.

Submitted by Thomas Krabacher