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HAROLD GOLDWHITE
CSU FACULTY TRUSTEE

Report of the Meeting of the Finance Committee of the Board of Trustees, Feb 28, 2003

Harold Goldwhite, Faculty Trustee

The Finance Committee of the Board met at the Office of the Chancellor and by teleconference on Feb. 28, 2003. The meeting was purely informational and the committee took no actions.

In discussing the recent report of the Legislative Analyst's Office (LAO) on the Governor's proposed budget for higher education and the CSU Patrick Lenz, Assistant Vice-Chancellor, commented that the LAO disregarded many real costs for the CSU. On student fees the LAO did not accept the one-third set-aside of fee increases for financial aid. This could reduce the number of CSU students receiving state grants by 7,000. The LAO also recommended funding CSU remedial classes at Community College rates, which would reduce funding by another \$10 million. On Tuesday March 4, 2003 there will be a legislative hearing on a bill setting fee policies for higher education. Senate Chair Kegley and others from the CSU will testify. The CSU is preparing a detailed response the LAO analysis.

In terms of process, Vice-Chancellor West emphasized the extensive consultation proposed with all CSU constituencies. In addition to the Budget Summit on March 14 which will bring together Presidents, AS Chairs, and ASI Chairs from all campuses together with the Executive Committees of ASCSU and CSSA, the Board finance committee and the System Budget Advisory Committee will meet monthly at least until May. The Chancellor and his staff will meet with the Labor Council on March 12. The campuses have been given some budget scenarios for 2003-2004 based on the Governor's proposals.

Senate Chair Kegley, CSSA President Pimentel, and CFA President Meisenhelder made public statements to the Committee. All were appreciative of the tone and substance of consultation on the budget to date.