

UNIVERSITY BUDGET COMMITTEE

January 14, 2011

Final Minutes

Members present:

Cynthia Ashton
Maxine Chernoff
Robert Corrigan
Harvey (Skip) Davis
Nancy Hayes
Andrew Ichimura
Betty Lam
Leroy Morishita
Robert Nava
Penny Saffold
Genie Stowers
Shawn Whalen

Members absent:

Sudip Chattopadhyay
Sue Rosser
Jerald Shapiro

1. Call to Order

A quorum was reached and President Corrigan called the meeting to order at 10:00am.

2. Comment Period

No one signed up for the Comment Period.

3. Approval of the Minutes from the December 17, 2010 UBC Meeting

The December 17, 2010 UBC minutes were approved, no changes were requested.

4. Announcements

President Corrigan made the following announcements.

He mentioned that Provost Rosser could not be here today as she is snow-bound in Atlanta, waiting for a break in the severe weather to allow her to return. He mentioned that there will be a Provost's Council meeting next week.

He said that he does not have a lot of information regarding policy decisions from the Chancellor's Office yet but there is a Board of Trustees meeting scheduled for January 25-26. Prior to that meeting all of the campus president's will be meeting and gathering information to share with the legislature in Sacramento. The Chancellor's Office has said that everything is on the table this time.

The CFA is meeting in Los Angeles today. The question of furloughs will likely be discussed. EVP & CFO Morishita will update the committee on enrollment targets shortly.

The President mentioned that the Chancellor has been blindsided by the news that CSU campuses would not share in any extra revenue that would be generated if Governor Brown's proposed ballot measures are approved by the voters. So today we will discuss the best case scenario of a \$500M cut, yet keeping in mind the possibility of that dollar amount increasing if voters do not approve the Governor's proposed ballot measures (tax increases). Currently, there is no discussion of mid-year budget cuts. As much as we do currently know, what might happen after the June ballot is yet unknown.

The President stated that he's been impressed by the level of leadership on our campus as demonstrated by the commitment of our Deans, Unions, Academic Senate and Ex. Com., UPAC, as well as some of the best student leadership we've had in decades.

5. Enrollment and Budget Update

Dr. Morishita provided the Enrollment and Budget update. He began by distributing the following handouts for the committee's reference.

- 1) Governor's budget Summary 2011-12 to the California Legislature, Regular Session 2011-12,
<http://www.ebudget.ca.gov/pdf/BudgetSummary/FullBudgetSummary.pdf>
- 2) LAO Overview of the Governor's Budget 2011-12, January 12, 2011,
http://lao.ca.gov/reports/2011/bud/budget_overview/budget_overview_0111211.pdf

Our (CA resident) enrollment target was reduced this year to 20,879 FTEs from 23,289 FTEs last year. The self-supported summer program was planned so that we would reach this lowered target. In November we were instructed to increase our target and we project reaching the annual average (fall/spring/summer) of 22,550 FTEs.

Dr. Morishita mentioned that he'd just returned from meetings in Long Beach and noted that there is great reluctance by the trustees and campus presidents to raise student fees any further to help address the \$500M budget deficit.

We do not yet know the enrollment target for next year. This situation is problematic for our students as regards securing on-campus housing early enough. We want to ensure that admitted students are able to get needed campus housing as well as courses.

Dr. Morishita reminded the committee that next year's budget is based on current taxes being extended. The CSU is currently facing an 18% budget reduction from its general fund base. This puts us back at 1999 funding levels but with 70 thousand more students to serve.

The state's \$25B budget problem consists of an \$8.2 billion deficit that would remain at the end of 2010-11 absent additional budgetary action, as well as an estimated \$17.2B gap between current-law revenues and expenditures in 2011-12. The Governor proposes targeted reductions of \$500M in 2011-12 to the CSU system to help resolve the budget deficit. He states that his budget reductions are intended to minimize fee and enrollment impacts on students by targeting actions that lower the costs of instruction and administration.

If the tax initiatives are going to make it on to the June ballot, the details must be worked out by May, which is an extremely short window of time. If the tax measures on the ballot are voted down, or there is not a ballot in time, we could face further significant budget cuts.

It was mentioned that the UPAC report will be out by the end of the week. The report projects approximately \$1M in savings by adopting the 6 college plan versus our current 8 college arrangement.

6. Adjournment

The meeting was adjourned at 10:55am.

Respectfully submitted,

Catherine Dunham
Administrative Assistant to the Executive Vice President & CFO
Administration & Finance

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