

UNIVERSITY BUDGET COMMITTEE

January 30, 2009

Final Minutes

Members present:

Nathan Avani
Lee Blicht
Robert Corrigan
Derehia DuVal
John Gemello
Nancy Hayes
Leroy Morishita
Penny Saffold
Shawn Whalen
Nini Yang

Members absent:

Sudip Chattopadhyay
Skip Davis
Natalie Franklin
Betty Lam
Genie Stowers

1. Call to Order

A quorum was reached and President Corrigan called the meeting to order at 10:12am.

2. Comment Period

No one signed up for the Comment Period.

3. Approval of the Minutes from the November 12, 2008 UBC Meeting

The November 12, 2008 UBC meeting minutes were approved, no changes were requested.

4. Announcements

President Corrigan provided the announcements. He stated that the good news is that our current budget will allow us to meet our payroll thru summer, and that he does not anticipate any layoffs at this time. He added that due to budget cuts approximately 150 courses will not be taught this spring which means that some lecturers will not be rehired or will have their workloads reduced. Additionally, he stated that approved faculty hires are moving forward and that he's been encouraged by the depth and quality of the searches in spite of dwindling resources to conduct them. He mentioned that there has been a cap on salaries for the Chancellor, Vice Chancellor, Presidents, and Vice Presidents. Additionally, travel limitations have also been implemented, especially for overseas trips. Also noted was that our enrollment numbers are on target although they are changing by the hour.

5. 2008/2009 Enrollment Update

Vice President Morishita and Associate Vice President for Enrollment Planning, Jo Volkert provided the Enrollment Update. Dr. Volkert mentioned that our headcount for the spring semester is just barely below last year's number. Our FTE is down by 200. The situation is exacerbated by the large number of students needing courses and limited course offerings. We are hearing some student complaints about difficulty getting the classes they need. Many students are concerned about this for a variety of reasons including financial aid issues. Some foreign students expressed fear of possible deportation if they could not meet their minimum unit load. A couple of Department Chairs mentioned that they are seeing students from outside their colleges requesting courses just to meet their minimum unit requirements. Next year the university will be reducing the number of incoming freshmen and transfers by approximately 300 each as well as eliminating second baccalaureates. The process is a tricky balancing act because if we take it too far our fee revenue will be affected as well as attempts to meet our target. We'll be closely monitoring the process and our numbers every step of the way. Dr. Volkert mentioned that the Freshman Impaction program was passed. This program establishes tiered criteria for freshman admissions based on geographic area. The 9 local Bay Area counties have a standard guideline, while those coming from outside that area have a slightly higher admission requirement. The program appears to be working as the number of applications received is down, but the applications in general are of a higher

caliber. Monitoring of the diversity of the applicants is being done in multiple ways. Dr. Morishita reiterated how complex balancing enrollment with an ever changing budget can be.

6. 2008/2009 Budget Update & 2009/2010 Proposed CSU Budget

Vice President Morishita provided the Budget Update. He began by distributing the following handouts for the committee's information/review:

1. January 6, 2009 memo from Benjamin Quillian regarding the Governor's Budget Proposal for Fiscal Year 2009-10.
2. LAO, January 8, 2009, 2009-10 Budget Analysis Series, Overview of the Governor's Budget.
3. 2009-10 Governors' Budget General Fund Proposals.

Dr. Morishita highlighted our recent budget history from September 2008 to the present and stated that assuming no further cuts are made that this year we should be OK. He also explained how bond sales fund construction projects and their effect on future projects. He mentioned that the J. Paul Leonard Library Renovation (which was ahead of schedule), the Gym HVAC renewal system, and the Telecommunications Infrastructure Upgrade (TIS) project were all temporarily stopped due to the state budget crisis but have since been restarted. This work stoppage has been very costly. The state is awaiting the April 15th income tax revenue. We are all hopeful that the state is in better financial condition prior to the July pay period. Since the Governor's budget that was released on December 31st the deficit has grown by \$7B. If this current budget holds we'll be OK, but if more cuts come, we will be concerned. We are going to try to hit our target exactly but may be 100 FTEs over.

President Corrigan mentioned that the State of California is reviewing all of their union contracts for ways to save money therefore difficult bargaining in the future is anticipated. The Student Employees union would like to see fee waivers offered in their contracts which would probably cost the system between \$8-11M. On another note, President Corrigan discussed faculty workload. He mentioned that the Provost has made extraordinary progress reducing faculty workload from 12 to 9 units. There is no desire to change from this reduced workload but the intent is for faculty to have a 9 unit teaching load. Budget reductions are reducing the number of sections being taught however if Chairs/Directors were to teach one additional course or if release time were scaled back, then more courses could be offered at no additional cost. He stressed that SFSU is first and foremost a teaching institution, not a research institution.

Dr. Gemello mentioned that post promotion increases are being implemented. They total \$7M system wide, and approximately \$380,000 for San Francisco State University. The increases were 2.5% for faculty who met expectations, and 2.75% - 3.5%(per Presidential approval) for those exceeding expectations. These are effective March 1st and are retroactive to July 1, 2008. One half of our senior faculty are included this year, and the other half will be included next year. He mentioned that we are trying to bring in all new hires at a more equitable salary to begin with. He also mentioned that students are supporting a fee increase not to exceed 10%. Currently the Legislative Analysts Office (LAO) is recommending a 50% increase in fees at the Community College level. President Corrigan mentioned again how much the Alliance is helping and the positive effect it's had in Sacramento.

7. **Adjournment**

The meeting was adjourned at 11:20am. The next UBC meeting is scheduled for Thursday, May 14, 2009, 9:00am-11:00am, NEC room.

Respectfully submitted,

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

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