University Budget Advisory Committee (UBAC)
Meeting Notes
November 30, 2012, 9:00 – 11:00 a.m.
Solano Hall Conference Room

Members Present: Fred Baldini (Chair), Paul Edwards, Marya Endriga, Scott Farrand, Stacy Hayano, Susan Holl, David Lang, Priscilla Llamas-McKaughan, Lakshmi Malroutu, Lauren Carpio, Rylan Gervase, Christine Miller

Members Absent: None

Others Present: President Alexander Gonzalez; Angel Thayer (BPA)

Agenda Items: Fred welcomed President Gonzalez to UBAC’s third meeting of the year. He then stated that it is uncommon for the President to attend more than one meeting during each fiscal year, but with the passing of Proposition 30 he felt it was important to meet with committee once again. The President thanked UBAC for their role and expressed his appreciation for all their hard work.

President Gonzalez went on to discuss what the passing of Proposition 30 means to our campus and the CSU as a whole. Currently the CSU is in a transitional phase; Chancellor Reed’s last day is December 7 and Executive Vice Chancellor Quillian will fill in as Administrator in Charge until our new Chancellor, Timothy White starts on December 31. With the change in leadership, we should expect to see a lot of realignment in the upcoming months. The Board of Trustees (BOT) put together the 2013-14 support budget; including a 3% or $86.3 million compensation increase pool. The CSU has not provided general compensation increases since June 2008 for faculty, and in the case of staff, not since July 2007. The BOT also removed the agenda item to modify the fee schedule; which included, but was not limited to; looking at adding a third tier tuition fee structure, commencement incentive fees for “super seniors” and course repetition fees. It looks like the BOT has tabled this item for now and will probably not be discussed in the near future.

At the campus level, our enrollment target will remain at 21,625 FTES in 2012-13 and we plan to go 5% above the target set by the Chancellor’s Office (CO). In 2011-12 we did go over the 3% target by 4 FTES and were penalized $21K, but this translated into $4 Million in revenue for our campus. Our General Fund allocation is based on in-state enrollment, so we are continuing to look at out-of-state and international enrollment very carefully since they pay the full cost of fees. We can increase our out-of-state/international enrollment without being penalized by the CO. We are specifically looking at a stream of students from Brazil, China, and India. We are focusing on these countries because their governments are investing in programs that send students to the United States.

The President remains cautiously optimistic and reminded the committee that the revenue generated from Proposition 30 is not exclusive to education, but we can assume that our budget is getting better and we can start rebuilding. UBAC will be tasked with preparing the budget call recommendation for next fiscal year (2013-14) in January. They will have to look at the budget very carefully as this will set a tone for the future and how we move forward with the budget process. For example, should we look at how division carry forward balances are managed? UBAC should discuss the carry forward process and the possibility of setting certain parameters on carry forward funds. The President then asked UBAC to start looking at the one-time requests submitted by each division, which were delayed pending the outcome of Proposition 30. After answering questions posed by UBAC members, President Gonzalez departed at approximately 10:00 am.

Stacy continued the meeting by reviewing the revised 2012-13 Operating Fund Budget with the committee. She went over the updated Sources & Uses document; per the passing of Proposition 30. The differences include the elimination of the potential trigger cut of $15.5 million, removal of the $4.4 million for financial aid set aside based on the 9.1% fee increase and the tuition fee increase rollback of $12 million; resulting in a net increase of $7.7 million in sources of funds over the previous budget.
When applying the $7.7 million to the previous deficit of $20.5 million and then factoring in the permanent divisional reductions already taken, it is anticipated that going forward we will have a deficit of $1.7 million (assuming no other changes). This $1.7 million will be funded from one-time central reserves in the current 2012-13 fiscal year.

Finally, the committee began reviewing the one-time requests submitted by each division, which were delayed pending the outcome of Proposition 30. The committee ran out of time and was unable to review the entire list. It was decided to hold another meeting before the winter break to finish the review of the one-time requests.

**Future Meetings (tentative schedule):** All meetings are held in Solano Hall, Room 5000 unless otherwise noted.

- Friday (12/7/12), 9 to 10am