

University Budget Advisory Committee
Meeting Notes
August 14, 9:30 –11:30 am
Riverside Hall, Dean's Conference Room

Present: Fred Baldini, Robert (Bob) Buckley, Paul Edwards, Scott Farrand, Suzanne Green, Stacy Hayano, Lillie Jones, Laureen O'Hanlon, Emir Macari, James Sobredo

Others Present: Debra Deakin

Absent: Tim Snyder

Open Forum: Discussion about Emir's transition off the committee in October, and the President's pending appointment of a new member and a new chair. Discussion about Tim Snyder's email regarding ASI representation.

Discussion: To bring the Committee up to date on the status of the University's 2008/09 budget, Suzanne began by informing the Committee that this morning the President accepted the Committee's recommendations on baseline budget reductions, All University Expenses and use of one-time funds, including reserves. She noted that the IRT AUE allocations are still pending. The Committee went through the *PowerPoint* budget overview given to the Cabinet on Monday, August 11. Since the state budget is not finalized, the President will make initial budget allocations to Divisions next week, and the University will reserve centrally held carry-forward funds to accommodate additional cuts from the state budget as one-time cuts in 2008/09. The campus could then plan how to absorb the cuts to baseline for the 2009/10 budget. During the course of the presentation, an updated "Sources and Uses of Funds" document was reviewed, as well as the "2008/09 Projected Operating Fund Budget Breakdown" document, which shows the distribution by Division.

The initial carry forward funds summary document was reviewed. The University has adopted a University Reserve and Carry Forward Funds policy that limits the amounts that can be retained by each division. The division limits are based on a limit imposed by the CSU on each campus. The University's carry forward funds from 2007/08 exceed that CSU limit and we will submit a plan to the Chancellor on the immediate use of those funds. UBAC has already recommended to the President the use of \$5M of those funds for one-time costs, and much of the balance could be needed to meet any additional cuts in the state budget for the CSU and the campus. Another factor in the excess carry-forward is the movement of miscellaneous course fees into the General Operating Fund. There will be a review with each department on the miscellaneous course fee balances and fee levels that should address this surplus.

Although some divisions have exceeded their carry forward limit, several divisions are still working toward resolving division structural deficits. The President has approved a transitional period during the 2008/9 fiscal year regarding the spending down of divisions carry forward balances. Divisions will retain their carry forward balances even if they are above the maximum target. The emphasis now is for divisions to manage their funds by planning their expenditures from the very start of the fiscal year to avoid excess carry forward from this year to next. Members discussed and were concerned about spending patterns, especially the tendency to wait until the end of the year to commit to the use of funds.

Suzanne reviewed a timeline for the distribution of preliminary budget allocation memoranda to the divisions, as well as the steps needed after the State budget for FY2008/9 has been signed.

The Committee reviewed and discussed at length the memo received from Larry Gilbert addressing the Committee's request for information about a possible \$250k cut to AUE budget lines being considered for redirection to IRT baseline budget. The Committee determined to meet on Thursday, August 21 at 1:30 p.m. to complete their recommendation regarding the funding level of the IRT AUEs.

Next Meeting: All meetings will be held in Riverside Hall, Dean's Conference Room unless otherwise noted.

- Thursday, August 21, 1:30 p.m. - 3:30 p.m.