

University Budget Advisory Committee (UBAC)
Meeting Notes
January 23, 2009, 11:00 a.m. to 1:00 pm
Sacramento Hall Annex, Conference Room

Members Present: Fred Baldini, Paul Edwards, Scott Farrand, Lillie Jones, Ming-Tung (Mike) Lee, Laureen O'Hanlon, Steve Perez (Chair), Shawn Smith, James Sobredo

Members Absent: Robert (Bob) Buckley

Others Present: President Alexander Gonzalez, Stacy Hayano (BPA), Debra Deakin (BPA)

Open Forum: Stacy provided the committee with a revised Sources and Uses document after confirmation with the Chancellor's Office as to how to reflect the financial aid set aside expenditure adjustment: the revisions adjusted the structural deficit to a range of \$3.1-\$4.5 million.

President Gonzalez informed the committee that Sac State's enrollment position is better than some of the other campuses and that our campus is right on target. He congratulated the members by observing that the present level of transparency of budget and financial reporting is the best ever, but he cautioned that it appears that the system will be responding to at least another two years of reduced funding and, with regard to fiscal years 2009/10 and 2010/11, he asked the committee members to keep a long-term perspective about the use of funds. He noted that the timing is gone for any drastic cuts this fiscal year and reiterated that, from his perspective, the committee is a permanent advisory body for the campus.

President Gonzalez described the sources of rental costs for CalSTRS as a combination of half state and half nonstate funds, how support from the Chancellor's Office will be phased out on a sliding scale over four years, and how coverage of the occupancy cost would reflect of the funding source of the occupants/tenants, whether instructional, student support, etc., and noted that Phase II costs are the responsibility of the campus. He then provided an update on pending projects, including Science II, as well as renovation and maintenance projects in the pipeline. He advised the members that the campus is aggressively seeking resources outside the CSU—including federal and state—for these purposes.

Regarding student fee increases, President Gonzalez stated that discussions on this subject by the Board of Trustees will be held in May at the latest, and that even with a fee increase of approximately 10% (and with the possibility of more increases the following fiscal year), the system budget will be about \$15.8 million short; he therefore asked the committee members to provide him with their thoughts and some scenarios on how to address the expected shortfall. He stressed the importance of managing carry forward funds and rollover within the parameters dictated or risking loss of funds, and he stressed again that spring enrollment targets will be strictly enforced by the Chancellor's Office. He also provided background on the campus's decision to cover student grants due to the impending deadline for the first disbursements. President Gonzalez responded to Stacy Hayano that he agreed the amount of campus reserve should be increased and that traditionally it had been too low. He also suggested UBAC meet again with the Strategic Planning Council to guide UBAC's perceptions in evaluating budget impact on programs. He left the meeting at 11:45 a.m.

Agenda Discussion:

The committee continued with a discussion of various funding priorities and approaches to how funding cuts could be implemented and from what sources funds could be obtained (central, division level, one-time, baseline, carry forward, etc.) for the current fiscal year and for FY2009/10, given what is known at this time about the approximate funding level that may be provided. The members discussed at length what information and recommendations or options should be conveyed to and inquired of the campus divisions in the Budget Call memorandum and instructions for fiscal year 2009/10 that is tentatively scheduled for distribution by the end of January 2009. The committee noted that it is not yet clear what impact the current travel and operating expense restrictions that were recently imposed will have on the existing carry forward balances that are now subject to limitation under the new Chancellor's Office guidelines. They discussed the importance of providing flexibility in how the divisions handle the funding cuts, particularly due to the timing of the latest deallocation of funds to the campus.

Stacy Hayano was asked to distribute the worksheet used in the meeting for planning and discussion of the funding scenarios to the committee members for their use. She will prepare a draft of the budget call memorandum attempting to address committee concerns and points of discussion and will distribute the draft electronically to the members for discussion prior to the next meeting.

Future Meetings (tentative schedule):

Starting with 1/30/09, meetings are scheduled to occur every Friday from 11:00 a.m. to 1:00 p.m. in the Sac Hall Annex Conference Room.