

**University Budget Advisory Committee (UBAC)**  
**Meeting Notes**  
**January 30, 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

**Members Absent:** Robert (Bob) Buckley, James Sobredo

**Others Present:** Stacy Hayano (BPA), Debra Deakin (BPA)

**Open Forum:** The committee was provided with three scenarios suggesting different methods/calculations as to how to assess the proposed 3% cut over two fiscal years (current and 2009/10). The members then discussed the proposed Del Norte Hall (DNH) renovation and the anticipated mix of campus resources, including carry forward and reserves, given the following: (1) the negative economic situation and the uncertainty of what funding might be available to the system and campus over the next several years, (2) the new guidelines/limitations established in FY2007/08 on uncommitted carry forward in general, and (3) the current policy for a containment of spending that was announced by the Chancellor's office approximately January 16 and its potential impact on the amount of carry forward balances. The committee determined that more information on the estimated cost of the DNH renovation was needed and that it would be forthcoming within a few weeks, so it was decided that further discussion on this topic would be resumed after that information becomes available.

**Agenda Discussion:** The committee further discussed a number of different scenarios and ultimately determined to proceed with a budget call scenario for an additional 1% reduction in the current year to be requested of the divisions and a 2% for 2009/10, for a total of 3% reduction for divisions over the two fiscal years based on the current information available. The 1% reduction for 2008/09 could be in the form of one-time and/or baseline; however a 3% overall baseline reduction would be targeted by 2009/10. It is anticipated that, due to the timing of this mid-year reduction, the majority of divisions with carry forward resources available to them would address the reduction using those balances rather than affecting baseline; however, some might cover part or all of the 1% as a cut to *baseline* in 2008/09, thereby fixing their baseline cut obligation in 2009/10 to 2% maximum (additional funding reductions notwithstanding). This would allow them to preserve carry forward for future shortfalls or other strategic purposes instead. If funding levels to the CSU deteriorate further than currently expected, then additional action would need to be addressed.

The committee observed that, were entire departments/majors or programs to be suddenly impacted by global political events, the campus would be best served by retaining sufficient uncommitted funds to cover for a significant loss in enrollment and thus avoid having this sort of occurrence cause extreme impact to the instructional program and the campus operations overall.

Stacy reported that the steering group for the Finance 9.0 upgrade has modified its estimated down time date range outward to March 4 through March 16, which will be very helpful to the divisions in allowing them to have access to their financial data when responding to the budget call before the due date for the call (tentatively February 27, 2009).

The committee members noted the reduction in interest income this fiscal year as compared with the past fiscal year resulting from the deteriorating economic situation. Various scenarios for prepayment of lease obligations and the like were discussed as a prudent use of carry forward funds, after more details are known on as to the annual cost and occupancy on new obligations such as for the CalSTRS building. The committee was provided with a schedule of capital lease obligations.

The committee reviewed the draft documents for the budget call. The memorandum will be revised to reflect the discussion and decisions made by the committee at this meeting. Slight modifications will be made to instructions to the Annual Budget Call template, the divisional operating summary will not be included, the division carry forward expenditure plan will be modified as per committee discussion to solicit response from the divisions to provide their estimates of short and long-term deficit and its relationship to any carry forward they maintain, as well as an estimate of their 2008/09 carry forward. Lastly, on the 2009/10 Division Request for All University Expenses, the header will reiterate the AUE definition for reference. Members will advise Stacy of any changes to the meeting notes prepared from the 1/23/09 meeting.

**Future Meetings (tentative schedule):**

Meetings are scheduled to occur every Friday from 11:00 a.m. to 1:00 p.m. in the Sac Hall Annex Conference Room.