

University Budget Committee (UBC)

Meeting Notes
March 27, 2009

Meeting called to order by Carol Terry at 2:06 p.m.

Chair: Carol Terry

Members in attendance: John Powell, Colleen Mullery, Martin Flashman, Lynne Sandstrom, Robin Bailie, Randi Darnall-Burke, Mary Kay, Han-Sup Han, Phil Zastrow (proxy for Ann Moore)

Topics of discussion: Final budget decisions regarding FY2009/10 budget

President Richmond and the Vice Presidents all attended the UBC meeting to discuss the final budget decisions regarding the FY2009/10 budget. Initially, President Richmond and the Vice Presidents presented the FY2009/10 budget proposal to the UBC at the UBC meeting on January 30, 2009. The UBC discussed the proposal over the course of a month and then provided a response to the budget proposal to President Richmond on March 10, 2009. After reviewing the UBC response, President Richmond replied to the UBC on March 23, 2009 and stated that he will move forward with the current FY2009/10 budget as originally proposed.

Budget Update

President Richmond greeted committee members and discussed the current status of the economy and potential impacts on the 2009/10 budget, both at the State and at HSU:

- Trustees currently meeting every month
- Economy is changing rapidly
- The 2009/10 budget passed by the Governor and the Legislature in February is already projected to fall short of the revenue forecast by about \$10 billion
- Propositions 1A-F will be voted on during the Statewide Special Election being held on Tuesday, May 19, 2009
- If the propositions are not approved, the State of California will need to come up with other ways to meet its needs
- Governor's May Budget Revision will not happen until after the election on May 19 and might not be available until June
- Will not have further information on HSU's budget for 2009/10 until after the May 19 election and the Governor's May Budget Revision
- Additional \$50 million reduction to the CSU budget, which would result in a \$1.4 million cut to HSU, is contingent on \$10 billion in stimulus funds being received by the State of California
- Latest estimate is that only \$8-9 billion has been received, so it is likely the \$10 billion threshold will not be met and the reductions will be implemented
- Chancellor anticipates a 5-10% 2009/10 reduction

Questions and Answers Regarding Budget

What happens to current 2009/10 budget proposal if HSU receives an additional reduction of \$1.4 million?

At this point, the \$1.4 million reduction would most likely be covered with one-time funds out of the current cash reserves and would not affect the current 2009/10 budget proposal. If additional cuts happen, HSU would not be able to cover them centrally with reserves and would need to turn to the divisions for help.

How will the divisions take their 2009/10 budget reductions?

President's Office - \$13,460

- ½ from discretionary funds, will not be able to support as many causes
- ½ from Diversity

Academic Affairs - \$427,093

- Phasing in over 3 years
- Almost a \$2 million reduction when combined with \$1.5 million reduction from this year, which was covered with one-time funds in the current year
- Salary savings from retirements
- Reduce tenure track hires, HSU currently has the highest rate of tenure track faculty in CSU at about 72%

Administrative Affairs - \$230,729

- Goal is to minimize impact on the campus
- Reduction taken out of areas dealing with bond/construction programs since funding in this area is drying up and there are not new projects on the horizon

Student Affairs - \$150,534

- Reductions are a compounding problem
- Will reduce services and eliminate 3 positions and OE

University Advancement - \$10,000

- Due to the economy, there have also been reductions in the values of the endowments
- Reduction will have no immediate personnel impact

What will the President's Initiative fund?

Nothing will be funded right away. The funds need to be available for reductions and then we will see what happens. Down the road, funding possibilities include the development of online education, support for foster youth and increased support to help faculty bring grants/scholarships to campus.

How were the reduction amounts determined?

The President and Vice Presidents sat down and prepared several drafts and ultimately the President made the decision. The reductions were not proportional and were based on the strategic goals of the University and keeping the quality of the education programs as high as they can be given the current state of the economy.

What is the plan for the Institutional Research (IR) office?

The IR office is under review in terms of how to proceed and develop a plan. The IR office will pull together existing resources and will probably need to hire a director and have additional staff resources. Hopefully there will be a plan in place before the end of the semester.

How have reductions been taken in the past?

President

- Reduced resources for discretionary purposes
- Small amount from Diversity office

Academic Affairs

- In the past reductions have been allocated to the units
- Non-academic in most cases
- Increase in student/faculty ratio
- # of faculty has reduced

Student Affairs

- Reductions for 7 straight years, totaling \$3 million
- Cut director positions in several areas and eliminated funding in others
- No longer advising services for juniors and seniors, and now freshmen
- Costs have shifted to non-state funds

Administrative Affairs

- Have not replaced vacant positions
- Custodial layoffs
- Cut AVP position

University Advancement

- Has not had large reductions in the past because Advancement is significantly underfunded and in CSU reports is one of the lowest funded in terms of size, number of students and alumni
- Laments that HSU did not develop other revenue years ago, but it is good we are doing it now

President Richmond stated that he and the Vice Presidents would be happy to come back and talk to the UBC, but not sure we will have new information before June at the earliest.

The meeting scheduled for April 3, 2009 has been cancelled.

The meeting was adjourned at 2:58 p.m.

Respectfully submitted,

Amber Blakeslee