

University Budget Committee (UBC)

Meeting Notes
January 30, 2009

Meeting called to order by Carol Terry at 2:02 p.m.

Chair: Carol Terry

Members in attendance: Mary Kay, John Powell, Colleen Mullery, Martin Flashman, Lynne Sandstrom, Robin Bailie, Randi Darnall-Burke, Ann Moore, Han-Sup Han, Sophia Pereira

Staff to UBC: Lee Lindsey

In attendance: President Richmond, Bob Snyder, Steve Butler, Rob Gunsalus, Burt Nordstrom, Phil Rouse

Topics of discussion: 2009/10 budget proposal and review of evaluation template

2009/10 Budget Proposal

President Richmond greeted the committee and passed out the 2009/10 budget proposal (posted on website). President Richmond complimented the current group of executives for working together in the best interests of the university as a whole. Key aspects of President Richmond's presentation included:

Current budget status:

- Things are uncertain for the budget and what is told today may change tomorrow
- State devoid of cash as of February 1
- CSU employees will be paid through March or April
- HSU needs to be prudent with resources and attempt to prioritize needs across divisions/units to satisfy goals of university
- Layoffs are unlikely at this time

Budget proposal (see TABLE 1 of proposal):

- FTES are budgeted at 7,150, no change in enrollment from 2007/08 budget
- 10% State University Fee increase
- State appropriation amount reduced to \$74,310,440 to reflect base budget reduction
- \$2.4 million in university-wide cost increases (salaries and benefits, utilities, SUG, etc.)
- New initiative: \$160,000 for IR Director's Office - strongly recommended by WASC, Keeling & Associates and Maddox Management Consulting. IR office will help develop a culture of evidence, analyze internal campus data, compare HSU data to other campuses
- Overall budget reduction of \$831,816 (see TABLE 2 of proposal for proposed reductions by division)
- How each division will take the reduction has not yet been determined, but Provost Snyder said he would send out Academic Affairs' reduction strategy memo (posted on website) showing how Academic Affairs is dealing with the current \$1.5 million reduction

University Reserves (see TABLE 3 and TABLE 4):

- Base budget reserve in 2008/09: \$612,045 remains unspent out of \$844,970
- One-time cash reserves of about \$3.35 million remain after second mid-year reduction of \$1.75 million
- Propose \$1.5 million in one-time funds for creation of university contingency fund

- Propose \$500,000 for President's initiative reserve, which would provide the President with one-time funds to cover unexpected expenses
- Net unobligated reserves of about \$1.35 million would remain

President Richmond concluded the presentation by reminding the UBC to keep the conversation at a high level when discussing the proposal. The UBC must respond to the budget proposal by February 27, 2009. A discussion of the proposal then took place. Concern was expressed by committee members regarding Academic Affairs budget reduction strategy of replacing a portion of tenure track faculty who retire or leave with lecturers, but Provost Snyder responded that HSU has the highest rate of tenure track faculty in the CSU and well over the national average. Retention of junior faculty was discussed since losing junior faculty is a cost to the university and also negatively impacts the students. Two reasons for why it can be hard to retain junior faculty were difficulty finding good jobs for partners/spouses and lack of readily available childcare. Research/grants for faculty was mentioned as an area of opportunity to bring in outside funds or possibly use campus discretionary funds to increase grant activity. A search is currently underway for a dean of graduate studies, which will help with research and grant opportunities for faculty.

Evaluation of the Budget Proposal

Phil Rouse talked to the committee about how there has been criticism in the past over a lack of transparency in the budget process and that it is complicated and confusing. There has been a lack of summation over how decisions are made. Committee members voiced that it is hard to evaluate reductions that are so broad. Lee Lindsey responded that the budget office has detail on portions of the proposal that can be provided for clarification. A draft evaluation template was passed out as a way to align the proposal with the evaluation criteria to see if the proposal is in line with campus priorities. Phil Rouse emphasized keeping a campus wide perspective on the criteria.

A question was raised regarding how the budget retreat with David Maddox will fit into the budget proposal and response and Carol Terry commented that budget retreat will not focus on the budget proposal, but rather on how to implement David Maddox's recommendations.

The open hearing scheduled for next week has been canceled in favor of a working session since the President and Vice Presidents already presented their budget proposal to multiple campus committees. The next meeting will be held in the Corbett Conference Room, from 2:00pm to 4:00pm, on Friday, February 6, 2009.

The meeting was adjourned at 4:00 p.m.

Respectfully submitted,
Amber Blakeslee