

# University Budget Committee (UBC)

Meeting Notes

November 14, 2008

Meeting called to order by Carol Terry at 2:09 p.m.

Chair: Carol Terry

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

Staff to UBC: Lee Lindsey

Carol Terry greeted committee members and introduced Phil Rouse, HSU's quality improvement facilitator, who observed the meeting.

Topics of discussion: Orientation and budget cut proposal

## Orientation

Lee Lindsey led the orientation discussion, which included several documents that were passed out to committee members (all documents are available for review on the budget website):

- Roles and Responsibilities
- Budget Timeline
- Budget Review Process
- Budget Orientation
- 2007/08 General Fund Allocation per Budgeted FTES

One item outside of the scope of the orientation that was discussed was the role of David Maddox, the budget consultant hired by HSU. David Maddox has produced his initial summary report, which is available on the WASC and University Budget Office websites. He will return to campus in early December to test his recommendations from his initial report and will provide his full report by mid-December.

## Budget Cut Proposal

Prior to the UBC meeting, President Richmond emailed an \$848,600 mid-year budget reduction plan from the President and Vice Presidents (posted on website) to the UBC. The proposal is to cover the reduction using one-time funds, and the UBC is asked to provide recommendations on the plan to the President. The following is a list of the University's available one-time funds:

Risk Premium Dividend - FY0708	\$550,000
CMS Loan Repayment Deferred	\$800,000
Extra Fee Revenue from - FY0708	\$2,000,000
Business Management Trust	\$1,000,000
Unallocated Base Budget after a one-time reduction of \$849K.	\$751,000
Total One-Time Funds Available	\$5,101,000

Due to \$97.6 million budget reduction to CSU proposed by the Governor, an additional reduction to the campus of \$1,796,700, or a \$2.6 million total mid-year budget cut, is also possible. The \$97.6 million reduction would reduce CSU funding levels back down to the initial January Governor's budget proposal. The committee discussed both of these budget reductions in depth and agreed with President Richmond's proposal to cover these reductions out of one-time funds. Lee Lindsey offered to draft a UBC response to President Richmond's proposal that he will email out to the UBC prior to next week's meeting.

Committee members discussed the one-time funds and commended President Richmond's initiative to use a conservative management approach to the development of the budget that resulted in these one-time funds being available. Members agreed that if reductions occur that are greater than the \$2.6 million discussed, the UBC would want to revisit a strategy to cover any additional reductions proposed. With growing economic concerns, members discussed the need to build larger reserves.

The next meeting is on Friday, November 21.

The meeting was adjourned at 4:08 p.m.

Respectfully submitted,  
Amber Blakeslee