

# UNIVERSITY BUDGET COMMITTEE

May 14, 2009

**\*Final Minutes\***

## **Members present:**

Nathan Avani  
Lee Blicht  
Sudip Chattopadhyay  
Robert Corrigan  
Skip Davis  
Derethia DuVal  
John Gemello  
Nancy Hayes  
Leroy Morishita  
Penny Saffold  
Shawn Whalen

## **Members absent:**

Natalie Franklin  
Betty Lam  
Genie Stowers (on sabbatical)  
Nini Yang

### **1. Call to Order**

A quorum was reached and President Corrigan called the meeting to order at 9:10am.

### **2. Comment Period**

No one signed up for the Comment Period.

### **3. Approval of the Minutes from the January 30, 2009 UBC Meeting**

The January 30, 2009 UBC meeting minutes were approved, no changes were requested.

### **4. Announcements**

President Corrigan began the announcements. He mentioned what a great team we have in Drs. Gemello and Morishita and acknowledged all the hard work they've been putting in, for months now, on the budget. All the VPs have been hard at work within their units making adjustments. He specifically acknowledged the responsiveness of the Deans in addressing the ongoing budgetary challenges. Although the budget is currently balanced, any additional cuts will jeopardize that. He emphasized that our first priority is meeting student needs and that he hopes to minimize the effects felt across campus associated with the significant downsizing we're experiencing.

Dr. Morishita mentioned that to help address the budget crisis we will likely see a 10% student fee increase as well as MBA fee increases. Additionally, the prospect of staff, faculty, and administrative furloughs and layoffs are being explored. Collective bargaining agreements between the CSU and its employee unions are very specific about layoff procedures, they are not about furloughs. Each union must agree to negotiate furloughs. System-wide the unions are required to declare layoffs prior to implementing any furloughs. Furloughs although painful, retain as many jobs as possible. One major problem with furloughs is that they tend to affect the lowest paid employees more significantly than higher paid employees.

### **5. 2008/2009 Enrollment Update**

Dr. Morishita and Dr. Jo Volkert, Associate Vice President for Enrollment Planning & Management provided the Enrollment Update. We are currently 300 FTEs over target. The entire CSU system is over target by 13-14 thousand FTEs. There is a chance that the legislature might raise our enrollment target without increasing our funding. The Chancellor wants over-enrollment stopped.

Our "Intent to Register" numbers for fall 2009 are higher now than at this time last fall although the economic situation could change that. Some campuses have already begun pulling from their wait-lists. The Chancellor's Office is proposing that 50% of the fees collected over 2% of target be returned to them beginning in fall 2009. This is unfortunately not a huge disincentive.

Dr. Volkert mentioned that International applications and enrollments are a bit below last year's numbers.

## **6. Budget Update**

Vice President Morishita provided the Budget Update.

He began by distributing the following handouts for the committee's information/review:

1. CSU Fiscal Impact – Changes from 2007/08, Attachment A, Fin – Item 1, Page 1 of 1, May 12-13, 2009
2. LAO, California's Cash Flow Crisis: May 2009 Update, Summary pages 1-2, May 7, 2009

The deficit noted on the first handout is due to the Compact not being funded in 08/09 and 09/10. Dr. Morishita reminded us that 1/3 of fee money goes toward student financial aid. The new MBA fee will be \$210 per unit beginning fall 2009. Since February '09 when the LAO reported a proposed \$8B shortfall, it has grown to \$10B. The CSU took a \$66.3M permanent budget cut in February '09, which was increased by \$50M in 08/09 then reduced to \$36.5M due to federal stimulus money. The May Revise is being delayed until late May due to the May 19th election and its potential effect on the budget. Depending on the results of several ballot initiatives (ie. the lottery and mental health propositions) the state shortfall could grow to an anticipated \$16B. The State of California is considering selling properties such as San Quentin and the LA Stadium to raise much needed funds and help reduce the budget deficit. The Governor will be holding a press conference at 2:00pm today regarding the state budget. It was suggested that the State Master Plan be revisited.

## **7. Adjournment**

Everyone was encouraged to keep in contact with their departments and the University during the summer as budget updates will be forthcoming via email and the web.

The meeting was adjourned at 10:50am.

Respectfully submitted,

Catherine Dunham  
Administrative Assistant to the Vice President and CFO  
Administration & Finance

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