

MINUTES OF THE UNIVERSITY BUDGET COMMITTEE
CALIFORNIA STATE UNIVERSITY, FRESNO
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Office of the Academic Senate
Ext. 8-2743

February 3, 2010

Members Present: J. Constable (Chair), N. Bengiamin, J. Kus, P. Newell,
A. Parham, J. Parks, J. Waayers.

Visitor: None.

The meeting was called to order by Chair J. Constable at 3:40 p.m. in Thomas Administration #117.

1. Minutes. MSC to approve the Minutes of 1/27/2010 as amended to show Item #5.b. to read as follows. It is anticipated that approximately \$7 M will be required to fund the dis-continuation of furloughs within Office of Academic Affairs and approximately \$12.1 M for the entire University.
2. Agenda. MSC to approve the Agenda as distributed.
3. Communications and Announcements.
 - A. Lauren Johnson, the ASI representative to the University Budget Committee has resigned due to a time conflict with the meeting of the ASI Senate. ASI will fill the vacancy as soon as possible.
 - B. A memo approving the Department of Chemistry's request to postpone the University Budget Committee budget review of the MS in Forensic Science was sent.
 - C. The University Advancement Committee is meeting tomorrow. John Constable will attend as the Chair of the University Budget Committee. John Constable will invite Peter Smits to a future meeting of the UBC to provide an update on University Advancement.
 - D. An email was sent to Cynthia Teniente-Matson, Vice President for Administration and Chief Financial Officer on 1 February reminding and requesting budget information on the Parking Office and the new parking policy. Neither acknowledgement of receipt or the requesting information has been received, a second reminder will be sent in one week.

- E. J. Kus chaired the most recent meeting of FACEL, the first since October 2009, during which the following points were discussed:
- FACEL has a request from the University Senate to review the new parking policy.
 - Construction of University high School is currently behind schedule.
 - Bids for the new pool being constructed north of the North gym are due February 5th.
 - The California Air Resources Board (CARB) has informed the University that the current boilers are not in compliance with air regulations. An agreement with CARB states that if the boilers are replaced by 2012, then back fines associated with the lack of compliance will be waived. However, if the specified timeline is not achieved then fines will be applied retroactively.
- F. It was noted that several CSU campuses are either dismantling academic programs in response to the State and CSU budget situation or are actively developing specific criteria to identify programs that could be targeted for elimination.

4. New Business.

There was none.

5. Presentation of a Possible New Budget Model Implementation Schedule.

John Waayers has been examining the function of the new budget model with respect to its complete implementation. For the past 3 years a combination of 2/3 old and 1/3 new model has been utilized for the schools allocation. During initial set-up for the 2010-11 fiscal year, it was discovered that the old model did not respond well to the planned 9.5% enrollment reduction resulting large budget impacts on several schools. In contrast, the new model was found to work much better in respect to this enrollment change.

Additionally, it was determined that the baseline budgets used in the new model were built retroactively using data from the last 10 years, years in which the old model was in operation. As a result complete implementation of the new model resulted in larger than desired budget annual fluctuations among schools. It was determined that adjustments influencing these annual fluctuations in the new model to better normalize the budget shifts among schools would be desirable.

A brief re-cap of model structure was presented to the committee re-introducing FTES, SFR, FTEF and number of majors as several key drivers of the model. Key alterations proposed by John Waayers included:

- (i) A tightening of the Relative Index upper and lower limits would result in a reduced rate of annual change in funding among schools that resulted from shifts in enrollment and method of course delivery (mode & level). It was recommended that we set those parameters at 100.5% of upper and 99.5% for lower.

- (ii) The use of 2008/2009 Academic year as the base line budget starting point for new model. As the 2008/2009 AY budget was developed from 1/3 new model and 2/3 old model, using this year as the baseline point normalizes the schools budgets to their 2009-10 level resulting in more stable budget for the schools aiding annual budget planning. It also retains intact the dynamic enrollment and SFR components of the new model that were prime considerations in developing the new model.

The ensuing discussion of the model sought to identify aspects of the model that would enhance its potential accuracy in allocating funds between the Schools and Colleges and aid its transparency to users. Some points discussed included:

- Differentiation among 9, 10, and 12 month employees
- The role of the designated market demand (DMD)
- Clarifying the role of the current six “relative factors” in the allocation calculation and using more reflective base numbers used for the calculation of the factors.
- Potential inclusion of a component to account for differential distribution of Assistant/Associate and Full Professors among the Schools and Colleges.

MSC to adjourn at 5:08 p.m.

The next University Budget Committee meeting will be on Wednesday, February 10, 2010 at 3:30 p.m. in Thomas Administration #117.

Agenda.

1. Approval of the Minutes of 2/3/10.
2. Approval of the Agenda.
3. Communications and Announcements.
4. New Business.
5. Review of the Budget of the Save Mart Center - Deborah Adishian-Astone, Associate Vice President for Auxiliary Operations and Enterprise Development.
6. Implementation and Examination of the New Budget Model – Continued.