



**California State University, Stanislaus
University Budget Advisory Committee**

November 17, 2011 – 1- 2pm
South Dining

Transcript

Attendees: Russ Giambelluca, Jim Strong, Taylor Buhler-Scott, Frank Borrelli, Clarissa Lonon-Nichols, Neil Jacklin, Kim Tan, Julia Reynoso, Mehran Khodabandeh, Becky Temple

Absent: Daryl Moore, Mark Thompson, Steve Filling, Kelvin Jasek-Rysdahl

Russ: This is the meeting of the UBAC committee so I'm going to ask we start off, just for the record, go around and [inaudible] introduce who you are and where you are currently working. And if you are representing someone's proxy today please identify them so I, so the committee full representation is known. Okay? So, start with you.

Yes, Frank Borrelli. Temporarily I represent [inaudible] campus, work in property services.

Neil Jacklin: biology technician, unit nine for [inaudible]. I'm just [inaudible].

I'm Becky Temple and I work in [inaudible].

Good afternoon, I'm Clarissa Lonon-Nichols I work in student leadership and development representing staff.

I'm Russ Giambelluca and I'm vice president for business and finance and I'm one of the co-chairs in the committee.

Jim Strong,] I'm the Provost and I am one of the co-chairs on the committee and I have the proxy of Dean Darryl Moore who is ill.

I'm Julia Reynoso from facility services.

Mehran Khodabandeh, student, ASI President.

Taylor Buhler-Scott, vice president ASI.

I'm Kim Tan. I'm a professor in Accounting and I'm also the chair of FBAC committee and have proxies for Steve Filling, Mark Thompson, and Kelvin Jasek-Rysdahl.

Russ: She's the power lady on the community.

Frank: All the votes.

Russ: So just want everybody to know that that's the size of the committee even though we don't have everybody present today, the proxies are here, so [inaudible]. The first item of business is to, I noted approval of minutes but they're really not minutes, they're transcripts of the last meeting. You should all have received them. I'm not going to pass them out as they are like 35 pages of actual communication from the last meeting which was August 15th. I will say that in the future we'll continue to try to produce the transcripts. I have no recording systems here today. Teri Burgess, who has done this in the past and we looked at this, the job of capturing every one of the concepts and ideas was just pretty overpowering. So it takes about two weeks to get a transcript of the meeting so we may be a little late on transcripts because we're going to try to have meetings a little closer together. But they will be available and so if people need the information prior to that, they can certainly get it because the video will be posted earlier so they could actually go and check out it that way. But from the standpoint of transcripts there's no way we can, these are big [inaudible] to get them out any quicker than that. Yes?

Kim: transcripts remind me of the iPhone [inaudible], you know, because I have an accent [inaudible] whoever getting the transcript has a problem picking up [inaudible].

Russ: I understand what you're saying. I think that given the fact that we're all going to move in that direction and given the fact that we only have the ability for one microphone essentially here right Glen? Or right up there. So let me just urge you and if you think we need to configure the room slightly differently I'll do it but we urge everyone that when you're speaking, you know, there's the microphone so you can be looking there and there will also be, we get a nice picture of you. Unfortunately for Jim and myself we're always [inaudible] head shot. But you can't hear me anyway right and if we could do that I think it will help the transcript process. And the other thing to do I think is just to be speak slowly so everyone can hear if you're looking away a little bit. And I think it's a more accurate record. We spent some time in our previous meetings discussing, you know, notes and so I just, that was just not productive and I wanted to get on with the fact that we should be having some good discussions. So I tried to make this a little more transparent so that the committee could work with the actual tools that they needed. That's not often we [inaudible] in the notes and minutes. Yes Becky?

Becky: I just wanted to say that I was here, I wasn't absent.

Russ: Oh, okay.

Becky: That's the only correction.

Russ: That's the only correction, okay, sorry about that.

Frank: [Inaudible].

Russ: If there are corrections that being factual corrections to the transcript that are around the actual dialogue of the minutes, that's one of the drawbacks from having Teri not here but I just can't, I just can't afford to have [inaudible]. Okay?

Jim: Julie, were you here or were down here?

?: Julie was here.

Jim: I don't think that's on the...

?: No, I'm not listed.

?: She's not listed.

?: So we need to [inaudible].

Becky: We should have a sign-up sheet.

Russ: Yeah, I may do that come the next week. This meeting's going to be short, more to get us sort of launched and I had a as you might imagine the way you see the attendance today, I really had a very difficult time scheduling a normal one and a half hour slot which is what this committee was doing. And the [inaudible] so I struggled with that and now [inaudible] do today and we'll [inaudible] fix that. If we could, let me see here, [inaudible] I'll pass around the [inaudible] sheets and start with [inaudible] on the side and you can send it back to me. That way we'll be sure that we add the right attendance to the sheet. Okay are there any other comments about the transcript? Can we move to just put it into the record? Yes?

Kim: I just, I think I just [inaudible]. When the transcript coming is it edited by anybody or, you know, does someone look [inaudible] my English [inaudible] Tane a word here, Tane a word there.

Russ: I have not as you can tell we tried to, Teri wasn't here we put in who we thought was present probably from my notes but no, I don't, I don't edit them and I don't think she does. I don't know if there's any, there's no editing taking place outside of that. So.

Kim: Okay thanks.

Russ: Any other questions about the transcript and the process?

Jim: We just mentioned that we wasted an entire meeting last spring arguing about the minutes. So this is one way where we can eliminate some conflict and just publish everything that's said. So, I would be aware of that when you're speaking.

Russ: Okay, can I have a motion to just approve these into the record? Julie?

Julia: Second.

Frank seconds. Any comments or discussion? If not, all those in favor?

Group: Ayes

Russ: Any opposed? Four? Is that four or one?

Kim: Four.

Russ: Four, okay. So the motion's carried.

Mehran [missing line from Mehran]: I abstained.

Russ: You abstained? Oh you abstained?

Mehran: I wasn't here [inaudible].

Russ: Seven, four, two, six. Motion's still carried.

?: Thank you.

Jim: I have two votes.

Russ: Two votes, so eight, six. Motion's carried eight to six. Eight to four with two exceptions, let me be very clear. Okay we have an agenda which I put together and I will say I put together after a conversation with the Provost because of the nature of this meeting being the first one with this particular group and because we've had a little bit of a period of time of break between this meeting and the prior meeting. I thought it would be good to get everybody back on the same page so the agenda that you see here is an attempt by us to try and do that. And I by no means was trying to be all encompassing or to eliminate anything but I think this group has an opportunity as you will see when we talk further, to bring forward ideas to put on the agenda which if the committee agrees, we'll put it on and if the committee does not agree then move on, so. I think that's kind of how we'll do it going forward because I think we also lost some valuable time, you know, over issues around the agenda. There's no preconceived notions or any other thought processes going on here except to get us started and get us moving in a positive direction in what will be a very challenging year I'm sure. So, this is the agenda. Are there any comments or questions or requests for Tanes to the agenda? I'm open to them to sign, please bring them forward.

Jim: Is the plan for the next three months Russ, will that include schedule, the schedule of meetings and so forth?

Russ: Yes, yes that's my hope. Yes Professor Tan?

Kim: I will have problem with, you know, try to schedule meetings when my colleagues are not here [inaudible] so I think if we can do it [inaudible] because I cannot, you know, tell them, let me tell you all the [inaudible] schedule [inaudible] because I have no knowledge.

Russ: I understand. I'm going to, we can talk about that and obviously we'll do our best but one of the issues we have that there are a lot of different things that are going on and draws away from the time slots of these committee meetings. But I want to try to do this to be as open and listening to all of you about your preferences and then once I've heard those we'll send another set of requests out to try to hone in on a time and a place and a date that's regular every week because when we did that before [inaudible] it worked much better. And if we try to ad hoc schedule every two weeks a different time, a different place and a different date. So, now what that may mean to some of you is that it presents you

with a problem of scheduling your other issues on your calendar. I think for me, this is my number one priority and actually I put my schedule after all of these. So when my assistant schedules me and I think Provost does the same thing. Other than for meetings that are mandated by the Chancellor I wait for you to tell me what your best availability is, schedule that and then I adjust my schedule to match that. And I think that [inaudible].

Jim: I do the same thing.

Russ: So, what I'm saying to you is for me it's a priority. I know for him it's a priority and I'm hoping all of us can get together to find the time and then make that a priority so we can move very deliberately through the very important things we have to do this time. If that does present a problem, well we'll just have to deal with it down the road but I think we'll never be able to find [inaudible]. It's very challenging to find a location and a date and a time that suits everybody, every time. So we'll do our best.

Jim: I think we also have the teaching schedules of our faculty so certainly that would be a very high priority and we're not going to schedule a meeting when faculty are scheduled to teach.

Russ: That's been my number one priority and unfortunately this particular meeting, it does conflict with a couple of their teaching schedules but I think having said that when we do the Tanes that will be our number one, that's the number one good reason for faculty not to be able to be at the meetings, they're teaching. Yes professor?

Kim: I think for meeting [inaudible] some of us [inaudible].

Russ: Well I'm going to suggest to you that that's fine but the reality is this is a committee as well and a very important campus wide committee. So I'm going to put my push in for making this a priority for chairs who may be able to schedule committee meetings to try to block out time around this meeting. If that presents a problem we can have a conversation. But the reality is this is, we've got to come up with a time where we can all meet. Yes [inaudible]?

Mehran: [Inaudible] I find for the next three months [inaudible].

Russ: Yes that's, thank you for [inaudible].

Mehran: So I move to approve [inaudible].

Russ: Thank you. Is there a second?

Clarissa: Second.

Russ: [Inaudible] second. Any conversation, discussion? Okay, if not, all those in favor of the agenda?

Group: Aye.

Russ: Any opposed? All right, [inaudible] did you oppose?

Russ: Professor Tan?

Kim: No.

Russ: Oh, okay, I thought you did, so, unanimous. That's all right, I'll try to be. Okay. The first item of the agenda is an update on the current California fiscal situation. You know, I think everybody's reading the papers. That's my, I put that on there because I think it would be good to put the claim of reference around our conversations today and going forward. There is no mystery about the lagging state revenues. We are likely to go into '12, '13 at about a 10 to 13 billion dollar shortfall. That's after all the things that this year's budget tried to accomplish. What I did was to have Michelle, our budget director, pull the executive summary from the LA LAO report. How many of you have seen that report? Good, good.

Jim: I saw it, I didn't read it.

Russ: Well, it's a pretty lengthy report. It goes beyond, it is online, but I think for the purposes of the conversation today, the executive summary does a reasonable job of sort of setting the parameters of where we are. So I'm going to send those around to you so you have them and they're part of your record. [pause] Based upon the information in the LAO's report it does not look good for the state of California and I think whatever is happening in the state of California is likely to have a spillover effect on CSU. And so I want to be sure that this committee starts its thinking processes with this sort of importance and the sort of nature of the problem that [inaudible] has been facing at this moment. The trigger cuts which have been in the news a lot have been talked about even more in the last couple of days with the state controllers report of our lagging revenues. And we now are certain that, and again, certainty is a wonderful thing here in California but certain that at least the tier one trigger cuts will take effect [inaudible] the CSU hundred million dollar [inaudible] so it's pretty certain we'll have that. It now appears that maybe as much as three quarters of the tier two trigger cuts will also take effect. It's pretty substantial because tier one is a pretty good size segment and a big, big enough cut. But now it looks like tier one and tier two. I'm sure there will be some adjustments as they dig in to the details. I know as we do budget cuts on the campus we have to factor in all the regulations and legalities that come into play to adjust those cuts. And so it never works out quite as surely and cleanly as it might appear at the onset or from 80 thousand feet but the reality is for the CSU we're going to have another mid-year budget reduction. From what the LAO says, this process and this problem is not going to go away. We had hoped that perhaps getting through this year we would be able to resume a more normal budgetary submission process for the state and be able to come out with a gradually leveling off and then maybe even some new allocations. But if you take this forecast and projection to heart I really do refer to, if you have the time, to go out and look at the LAO's reports. It's very thorough, not written for the government, it's written for the legislature, the people who have to make the law, so there's a real focus here for them to start to think about what this means in terms of future legislation. But the reality is the projection is we will be having these kinds of cuts for the next five years. And they look to be not temporary but base cuts. That's a pretty staggering number, that's a pretty staggering thought. So, I had hoped that the trigger cuts for this year would have been a one time reduction. That's been my plan all along, that's hoping our budget director, Michelle [inaudible], right over here that we try to think ahead, you will probably have this but it will be a one time cut. And that would give the committee time to do some real discussion about how we achieve strategic efficiencies and strategic reductions for the future.

I'm beginning more and more to think that when the final word comes down it won't be [inaudible] in which case that will put severe pressure on us to do something this year. And so that will make the work for this committee even more important and even more urgent. And so I want you to be aware of that, no one's told me that yet but given the nature of the news it doesn't seem to be, I keep looking as Michelle says you're the optimist, you keep looking for something good in there but it's not to be found. And I think there are other forces at play as well that make it harder and harder for California to recover from its apparent doldrums. So, I just wanted to put that out there to say I think this committee's work is going to be important. I'm hopeful, personally that we can really start to address some of the bigger issues and talk about things that may require, you know, digging around and getting some information and doing that but really addressing some of the big dollar items that will help us reduce budgets without necessarily minimizing or hurting the effectiveness of our campus and our ability to provide a quality education to our students. And so that's kind of where we are. I think I'm open to questions at this point about that. If you have any additional information you want to add, you know, that's a good thing. I will, I just received the budget submission for the CSU for next year, for '12, '13. It's I think a very optimistic budget submission and I will provide it to you but I would not put a lot of stock in the fact that we will receive it or anything close to it by the time that the legislature has completed its actions with the government in the spring. So with that happy note, are there any questions or comments that you want to make? Yes [inaudible].

Neil: Is all this, is this online?

Russ: This is all online. This is a summary only of the long report. The report's pretty lengthy and there's lots of data which we may want to refer to from time to time. Yes [inaudible].

Mehran: So, with that the 650 was what, wasn't that translated to our campus?

Russ: The 650 translated to almost ten million dollars.

Mehran: That's another 2.2 on top of that from earlier [inaudible]?

Russ: Yes. It's hard to, I know, it's hard to really think about the base reductions that we've had to undergo. And still I think the difficult thing for this cut for me as the person responsible for [inaudible] is its timing. I said to the committee many times over, I'd much rather know early in the year and take action early painful as that might be because it's first of all easier and it's lower impact on the campus overall. So this coming, you know, by the time it gets implemented who knows, I mean it could be, I'm sure it will be sometime in January, maybe February and then everybody will be [inaudible] try to find resources to make it happen because their problem is this year. And so they're [inaudible] fix the problem this year, they're not going to be say oh, we'll just let it drift for a year, so. That's what makes me most concerned about this situation here. Becky, did you have a question.

Becky: It will be after our [inaudible].

Russ: Our campus target contemplated, well I think the strategies from the CSU issue haven't [inaudible] trigger cut occurring and so our targets are what they are. For us, our target is still 6715 plus 5%, that's where we are. Not a large increase.

Jim: That's for fall, right?

Russ: For fall, next fall.

Jim: So '12.

Russ: Thirteen, '12, '13, correct.

Jim: Was that a question Becky?

Becky: Well I'm just [inaudible].

Jim: Will we make our target in '11, '12? Yes we will.

Becky: [Inaudible].

Russ: We are [inaudible] I mean to be clear that just to give you, you're right, we are probably at our 2012 target now.

Becky: And we're planning on keeping all [inaudible]?

Russ: I sure hope so.

Jim: But I think your point is that we're going to take a mid-year cut and we still made our target, is that what you're getting at?

Becky: I guess it's not really a question, more of a statement that we are having more students than what we can afford but what is our mid-year cut going to be? Do you know?

Russ: Too many then it is right now.

Mehran: [Inaudible] solution to that?

?: [Inaudible].

Russ: No, I know, nobody wants to hear this. This is really the crux of our [inaudible].

Frank: I think my question was [inaudible] for the present [inaudible] the last forum he told us that we over enrolled, that we're working on trying to get some funding for the over enrollment and then [inaudible] we're going to take a two million dollar hit so does that have any terms of reconnection on that hit or are we going to take an additional hit because we over enrolled or we'll be able to get something for that to be able to cover that? I think that's what my question was. There's just a lot of confusion out there about that and I don't know if you guys have any information about that.

Russ: I'll just say what I know and then the Provost can certainly say what he's got a much better perspective I take. I think we are in the process of doing some things that will clarify where we are actually enrolled. We are over enrolled, there's no question. Whether we over enrolled to the point where we will receive a penalty or whether they would decide to go forward and administer a penalty, I don't think we know yet. So there's a lot of, you know, uncertainty, question marks about that. We are proceeding though with ways of trying to look at ourselves and say, no let's not keep adding to the burden and part of the conversation that we have to have is probably going to come up here is, you know, are we most effective about what we're doing? We all are going to have to take another look and so, Jim, I don't know if you want to add to that?

Jim: Well, first of all the penalty is that we don't get to keep the tuition. We have to give the tuition back and we give it back to, correct me if I'm wrong Russ, we take, subtract it from our next year's budget, is that correct or?

Russ: Yeah.

Jim: So, that's that. We also obviously we summer and intersession are off the state books so, you know, we could, you know, we have opportunities to generate some revenue there so that's an opportunity. And I think, you know, we don't want to get into, we want to manage a pipeline of students so that we're not having big bulges in the pipeline and gaps. So, and also, you know, there's a whole marketing dimension to this. I mean, you know, you don't want to take students in and then they don't, and then we don't service them so, you know, there's a budget dimension. I mean there's a marketing dimension to this. But, you know, obviously, you know, we, what we ought to do is to try to figure out, try to optimize as best we possibly can exactly what level of enrollment we can sustain given both the spring and the fall on the state's side and summer and the ~~innership~~, intersession and special sessions. And that's, you know, that's a fairly and complicated endeavor, we're working to improve our enrollment management tactics and overall strategies. But, you know, and it's certainly, we have to be careful about having more students than we can "afford" but as Russ mentioned there may be some things we could do a little bit differently and find efficiencies that we could then use to support those students because long term I think enrollment growth is a great revenue stream, so.

Russ: Any comments or questions?

Frank: [Inaudible] to paraphrase that [inaudible] so really we could have additional, another budget cut on top of the two with what we might have to give back on the over enroll but is that a fair assessment? I'm just trying to...

Russ: The potential exists. We're going to work very hard not to let it happen with all the tools at our disposal [inaudible].

Frank: Trying to understand.

Jim: Well right now if we get, we have an upward bound of 3%. If we hit the target we get full tuition and full subsidy, all right? If we go over between zero and 3% we get the tuition, okay? If we go 3.1% over for the year, annualized for the year then that, you know, tenth of a percent we don't get the tuition for, we collect it and then we got to give it back next fall, right?

Russ: [Inaudible] we give it right back now, we could probably give it back now.

?: [Inaudible].

?: [Inaudible].

?: It will be a one time.

?: Yeah.

Jim: And then they collect all that money and then, you know, what do they do with it Russ?

Russ: That's a good question.

Jim: Because we're not the only one in this boat. I mean, most of the campuses are in this boat and...

Russ: Yes Professor Tan?

Kim: How much was the summer money this year [inaudible]?

Jim: I think I got a surplus was what about 950 thousand or something like that.

?: [inaudible talking]

Russ: And there are some, you know, I want to be fair, it's the rules that prevent us from just simply, you know, not all money is green here, so, subsequently...

Jim: It's almost light green.

Russ: [Inaudible] money is not necessarily transferrable to support state programs and vice versa. So we have to be very careful about that. I mean, certainly self support money is very helpful because it does do, give us an opportunity to fund things that we might not otherwise have funded, but, it's not directly exTaneable. Never has been, so it's called [inaudible] money, we don't have the freedom to just really know where to use it for supporting state activities. So I want to make that point clear too. So on top of everything we're doing those, I have to pay attention to the fund restrictions that we're put under for various [inaudible] it's just like lottery numbers. Yes?

Kim: Well what do you use the separate money for? To like [inaudible] something and [inaudible] something? I'm just wondering, I mean, what's [inaudible]? How do you use it?

Russ: You use it for a variety of things. There are programs that are sustain through summer money that bring faculty in and [inaudible]. It pays a portion of the utilities because we use our facility for operating summer session classes and those things have to be accounted for. We pay for other services

that are provided, student services that are provided in the summer, those are all covered out of summer money. So it provides, the notion of summer money being somehow different is really, as far as the university the same way the state funding does it's just funded in the summer in [inaudible]. So we do have money that, and what's left over if there is any leftover goes some to the departments, some to the Provost for initiatives and other things.

Jim: That would support, that would have some connection with the special sessions programs. So for example, you could use some of the money to support faculty because they are necessary to fund those programs. You can't subsidize, you can't use it for state budget expenditures that have nothing to do with say the summer session. You can use it to relieve any state side expenditure that's supporting that special session program should be offset or should be reimbursed with special sessions funds, okay?

Russ: Okay. Any other questions? Yes Becky?

Becky: How does a mid-year reduction work? When does that news come to us and when do we [inaudible].

Russ: I wish I kind of had real details for you. I don't. But let me tell you what I think will happen. As you know, the numbers freeze in January because that's when the year ends, the fiscal year ends. And people pay their taxes so we have a projection of revenues. That will probably be in January. If it's as bad as it is now, it hasn't changed, then the trigger cuts will be announced and I assume that the department of finance will work with the various entities that are being impacted by those trigger cuts to tweak or do whatever it is we have to do to meet law or other regulations. And then those will be announced. I expect them to be announced in January. Think about, we can expect the budget cut in a mid-year situation, it effectively doubles the impact if you're really thinking about it. We normally would take the two million over a whole year, it's a lot different from taking the two million cut in January. So, I'm hoping if we're going to get a cut it comes early and not later. I'm hoping and I hope all you hope that we get the [inaudible] that it's a temporary cut and not really made a part of our base. As each day passes my hope diminishes, but I'm still hopeful. Yes [inaudible] you had your hand up?

Neil: Yeah [inaudible].

Becky: Yes [inaudible].

Neil: Back to the summer session money, clarification on that. Would that be anything to do with the summer session as far as staff working, students working, [inaudible] to do with summer session?

?: Could be, that money could be used for that. Hire those people to...

Russ: Yeah, typically it is. There are people in the different units that work [inaudible].

Jim: There's a lot of devil in those details and there's, you know, so.

Russ: Okay, Professor Tan?

Kim: Yeah, I guess I'm still not clear about the summer.

?: [inaudible]

Russ: What's left over from summer is effective. We pay direct costs, there's direct costs and indirect costs, okay? I mean, the direct costs are people who are working on summer programs.

Kim: Yes.

Russ: The other costs are like I said, who are part of that is the operation of the plant to support the summer session. That's not necessarily a direct cost. So we'll see. But I think that there are costs like that that we factor in. And then there are...

Kim: [Inaudible].

Russ: I'm sorry?

Kim: Well I just wondered bottom line [inaudible].

Russ: Well the bottom line right now is somewhere around eight or nine hundred thousand dollars, that's the bottom line. But we haven't made that factor for the indirect costs. We haven't gotten that. And we wouldn't do that until perhaps this time of year, January there's a problem [inaudible]. Okay? Any other questions about it? Yes Mehran?

Mehran: Is winter [inaudible] the same way or is that just pretty much [inaudible]?

Russ: The other session in summer will be the same. And the same kind of mechanisms and the same administration mechanisms from the standpoint of the Chancellor [inaudible]. Professor Tan?

Kim: So if this summer isn't even done, right? Let's talk about last summer. Last summer the indirect costs would be effective [inaudible] right?

Russ: Yeah.

Kim: And what was the bottom line for last summer? Last year.

?: [Inaudible].

Kim: Okay? I'm just trying to figure out [inaudible].

Jim: Okay, that's, that was before we, we haven't factored the indirect costs in for the summer of 2010. We were saving that as a reserve which we've mentioned numerous times. So we still, we still have to look at the indirect costs as a way to use that reserve.

Kim: I think the reason I'm asking the question is that at one of the last, you know, meeting, the last one this year and there was like faculty, you know, [inaudible] all faculty and there was this person from, you know, she just [inaudible] how much money was it, you know?

Russ: I see most of the money and it's not [inaudible].

Jim: Yeah, from your lips to God's ears [inaudible].

Russ: So and you I mean, when we have [inaudible] financial reports, I'll be passing them out here to you all [inaudible]. The bottom line is that people see that passes through the university is [inaudible] earmarked for things like running the campus, benefits is a huge [inaudible] and yet it looks [inaudible] it looks the money's there, it sits in the numbers and then [inaudible] it's already been allocated essentially, coming in the door. Just like salary. About 80%, 10%, I'm sorry, [inaudible] about 80%, 79% is salary so when you look at an organizational unit that's 79% salary, 80% salary, you're looking at a lot of the resource base of that institution is pre-designated, it's got to be paid out every week and the benefits have to be covered every month, so. Yeah?

?: [Inaudible].

Russ: I'm going to, you know, as long as we have a huge river that runs the stage under some sort of, I do want to make it very [inaudible] for people to say, yeah.

Guest - Jim Tuedio: What I'm hearing is a possibility in my head, I'm wondering if it's a possibility and if so if it's the sort of thing that a committee like this can entertain and put [inaudible] possibilities. But it sounds like we ought to be able to identify all of the salaries that are being paid to people in the summer that are connected in any way to the summer schedule [inaudible]. And subtract that from our college budgets and built back in with summer money. And if the money's subtracted out of the college budget it is as large as it feels like it might be because it's two months out of 12 at least. This is a significant way to address the reduction.

Russ: And in fact we do that, we do basically do that.

Guest – Jim Tuedio: Colleges are caring yet whether that's going to be one of the ways to [inaudible].

Russ: Well I think part of that is because of the, just the timing of [inaudible]. Just so you all know, I want to be, make sure you understand here, the process that's in place now whereas Gary [inaudible] person is working with the colleges to identify what those specific people, who those are and then we have to work together with him to sort of make that adjustment. That's how it works. It's not an easy challenge.

Guest – Jim Tuedio [Inaudible].

Russ: Yes, yes, exactly right, it's all these other, all these other groups too as Michelle [inaudible]. But we have to, we are relying on Gary to work with colleges to fare it down at this point, yeah. Okay, so you all know, I mean, normally I don't try to invite comments or questions from the committee from outside the committee but I really again, this year as we start forward we have a serious dialogue so I want to hear from as many people as I can as long as we can keep our meetings going to some degree, okay? Any more questions about the budget? I'd like to get to the item B if we can. And for that I'd like to turn it over to the Provost for his comments. This was an item that was on the end of the agenda. We were

going to make a recommendation, we were just at that point and as I know no recommendation was made but the Provost has a statute.

Jim: I have a, does anyone need a copy of our address, did we send this out?

Russ: [Inaudible].

Jim: So here are some copies of what a program prioritization has turned into which is the holistic review of academic programs and actually this is still in draft form and there will be some changes to this. In fact, I've decided not to chair the committee for one thing. And there will probably be some additional changes as well, relatively minor. This has been discussed for quite, most of the fall semester. And the, what has happened is we have taken the concept of program prioritization and expanded it significantly to include the, if you look on page three and page four and a little top of page five you'll see 15 areas where we've asked the committee to look at specific possibilities for improvements and efficiency. The first criteria for this document and for any decision making is that the academic mission of the university be the number one criteria. And what this document, we've created an ad hoc committee to look at, to review academic programs in a holistic fashion, a broad fashion looking at all the programs to recommend improvements. This has been driven by budget problems and also there's a strategic element to that that we, we have not done as much as we should relative to looking at our portfolio programs and all of our activities in a general review from a general perspective, a systems perspective of how they all work together or not. For example, the only way that that, well one of the main ways that we review programs is an academic program review every seven years, every program has to have academic program review but that's primarily a focus on one program in isolation or relative isolation I would say. It's not looking at all programs from a broad perspective and seeing how we can improve process, practice, do we need to prune the programs? Do we have some programs that are not meeting the mission or are marginal to the mission, but economically not hard to justify, they're economically hard to justify. And so the point here is to engage in this activity for these two different reasons. One is an immediate or short term medium term budget impact. Another one is a strategic view in a broader sense. And then whatever recommendations the committee makes to myself and I believe the recommendations will also go to the speaker of the senate, if there are any recommendations that impact on other policies such as program discontinuation, the program discontinuation policy will be enacted. So these are our recommendations. Hopefully we'll get recommendations from this committee of ways that we can address a charge and then if there are implications for those recommendations to the existing policy, we'll follow that policy. So this is, there's nothing fiat accompli here, this is not anything that is managerial fiat or anything along those lines at in. In fact, it's just the opposite. We've got faculty on the committee and so the idea is to have a rigorous discussion of all the ways that we could be more efficient and more effective or more efficient and maintain our level of effectiveness. And again, the number one criteria is meeting the mission, the academic mission of the university which is, that's an easy phrase to say, maybe not quite as easy to operationalize but nevertheless it is the most important issue. And when we probably will be modifying the timeline, the timeline may be overly aggressive. What I'm thinking of is that we will modify the timeline but I will put in language that says, if we have a crisis, if we have a, looks like we're going to have a two million dollar cut and that we will ask this committee to consider that and to move their

timeline out and compress it significantly if they want to participate in making those decisions. Because if we, you know, we have to make decisions quickly then we can't long timelines. Obviously, we have to make a decision, you know, in the next month about what we're going to do. I think, you know, we either have some surpluses that are covered for us or, you know, there's very limited options that we will actually be able to do to take money out of our budget that we can use for a deficit. We are, there's I mean, two or three at most that we can do immediately. Now, you know, there's more if it's, if we had six months planning, there's more if we have 12 months planning and I think part of this document or part of this effort is to say, we need to do business differently. We need to think about right now we really can't afford everything that we're doing. So, you know, there's two ways we can solve this problem. We could figure out how to get more revenue and/or, and/or we can stop doing some things and optimize our activities so that we're getting more educational production out of our budget [inaudible]. Now I know that folks don't like to talk like this but at the end of the day we have to pay our bills and at the end of the day the economic facts of the situation impact us. And so, you know, if we want to keep a program that it generates, that uses more funds than it generates and serves as and fees and grants and any other revenue it generates, that's fine. But we need to understand that and we can't have, you know, 80% of our programs in that category or we're not going to be able to pay our bills. And so this is a way of looking at everything, you know, no sacred cows, you know, I don't, there's things that I think have become practice that are nice and comfortable that have evolved out of a relatively small institution at a different time of economic conditions. And those conditions have changed but those practices are part of our culture and it's time to take a look at those practices and say, are they, do they support the mission, are they worth their costs? And it's all about the students and the academic mission and evaluating our activities in an economic sense relative to that mission. And that's what this is about. So this is an evolution of what we were talking about in terms of program prioritization. I said last summer in response to Warren Thompson that academic affairs was going to engage in program prioritization. This is how that's evolved. Program prioritization is essentially items number, [inaudible], maybe 11 or 12, I mean there's a talking about whether we should eliminate programs is just one of 15 possibilities, all right? So it's not the only possibility. It's more of a number of possibilities and the committee will make recommendations relative to whether they think that should happen among a number of other possibilities. Maybe we can save enough money where we don't have to eliminate any programs and that's, that would be fine with me. Maybe we want to eliminate some programs. What I hope comes out of this is a very authentic honest discussion about the mission, the academic mission and how we support that mission with the decisions that we make and the costs associated with those decisions. Neil?

Neil: I've got a question.

Russ: Professor Tan, you had your hand up before me [inaudible]?

Kim: No, no, you can do it.

Russ: Okay, but do you want to speak after? I don't want to feel like [inaudible].

Kim: [Inaudible].

Neil: Okay, so on the seven year review, who does that?

Jim: The department, it starts with the department. There's a whole protocol associated with it and it moves, you know, goes from the department to the Dean, you know, to the Provost. We are very strongly encouraging [inaudible] to include external reviewers so we'll, we are going to accommodate Wes request and start to use external reviewers. I certainly strongly encourage that until we can get the policy Changed, so. But basically it starts with the department.

Neil: And then on the numbers you have faculty of arts and all the colleges there. Are they the chair or are they, can they be anybody from the college?

Jim: They could be anybody from the college. In fact, we have faculty have been recommended to us which will be accepted for these rolls. I think we're, no I think we have a [inaudible].

Neil: And then the last thing was I noticed here that we don't have a policy for suspension you said, it's written here, I saw somewhere. Are you going to create something for that or is this group going to or is that under the academic [inaudible]?

Jim: Right now the subcommittee of the academic center, the UEPC which I assume, the University Educational Policy Committee is working on a suspension policy and that we've been talking back and forth about that and hopefully, we'll be able to have a policy. But I don't, you know, we'll see.

Russ: Professor Tan and then [inaudible].

Kim: I think I have two things here. The first one is you started [inaudible] and you use the word we. I'm just wondering who's we? Is it the committee or is it you?

Jim: I'm not sure. I'm not sure I follow the question. When I was talking about this document I said we?

Kim: Yes. [Inaudible].

Jim: The, I wrote the initial draft as a place to start and the Provost advisory council has been working on it with me for what, at least six weeks Jim?

Guest – Jim Tuedio: Yeah.

Jim: Two months. And there's been significant revision of the document. We have vetted it with the chairs committee, we have vetted it with the speaker and the speaker elect, we have vetted it with the senate, we have, I think that's about it. And it's, you know, we're still gathering input. I expect to finish the document in the next week or so.

Kim: [Inaudible].

Jim: Yes.

Kim: And there's a timeline for them to give you the feedback? Is that what I'm hearing?

Jim: There's not a published timeline if that's what you're asking me. We're, it's still a draft document so we're accepting feedback. Unfortunately we didn't get to it in the senate on Tuesday. I was disappointed that I wasn't able to receive feedback from the senators as it's been a discussion item for two weeks now.

Kim: I think that during the first time you place on this [inaudible] that the document and you asked them for them to distribute it [inaudible].

Jim: That's correct.

Kim: Yeah. And then the second time around you have other things already on the agenda like second reading and all that?

Jim: Correct. I think, you know, given what Russ is talking about with the kind of cuts that he's talking about we need to get this, we need to get this moving forward as soon as we can. I think that if there are groups that in a timely way want to provide input they certainly can. And I will carefully consider any input and we've had a lot of input so far. So, if you have suggestions please let me know. If you have a group you want me to vet it with I think we still have a little bit of time. But if we, you know, the sooner this work can get started the better. I mean I think to engage in undo delay is a mistake.

Kim: Okay. Another comment I have is regarding, you said that this document or this program prioritization is budget driven. I originally...

Jim: I think what I said was that it's first, it's two, it's not just budget driven but go ahead.

Kim: Okay, it's just that [inaudible] budget driven. I know you said something else about mission and all that stuff but it was [inaudible].

Jim: Well that's important too.

Kim: Yeah but [inaudible]. I went to the business and finance Website and I looked at I think it was budget information over maybe five years and I looked at, you know, the revenue versus costs and then look at the bottom line. I think in over those five years if I remember correctly that the initial four years that there was negative bottom line in the keeping, I think what they call a [inaudible]. And then the most recent one was that the [inaudible] and I was wondering, you know, since budget comes into play in deciding what goes on on this campus whether we can have a look at those budget numbers in trying to explain, you know, over the five years what happened with the deficit and how, what happened on campus that got it reversed and, you know, how is that loan deficit impact what we're doing right now.

Russ: I'm going to jump in here because this is an observation, my own personal observation. Sometimes when a committee member has a question like this, they bring forth what are preceding numbers are. I'm going to request Professor Tan, if you would please pull the data that you were referring to so that the committee can grasp this. This is really hard to sort of wean out a question and sort of, if you identify using the data you have what we need to address and I think this committee can address it. And we are constantly putting on the Web anything that we get in front of the forum that is our published data [inaudible]. So if you're seeing something that you have raised to the committee's attention, if you would rather than me trying to figure out what it is you're...

Kim: Yeah, I'll bring it to the next meeting.

Russ: Yeah, that would be very helpful. I think that would be something we could look at and we can address it and address it and give a better answer then try to do it off the top.

Kim: Okay. And then the last thing I want to comment on is the Provost talked about sacred cows on this campus. I want to talk about pet projects on this campus. At the FBAC, faculty budget advisory committee, we talked about the endowment program, endowment program. And to give you an example in the college of business they hire an endowed professor, I think it was at 140 thousand dollars which is most substantially what the normal professor, you know, the top professor in our college would get. I'd say it's 30 thousand dollars more than what a regular. So you're hiring a new person, pay them 30 thousand dollars more than what the top professor in your college would get, all right. And then this new person comes in and has half the teaching load. I mean, you're talking about, you know, wise use of money, wise use of resources on this campus. And I'm just wondering whether the endowed professor program or the improvement in the evaluation of programs that you're talking about because that is a very costly thing. Because the professor that is hired at a higher pay, you know, there's no policy in place that says, you know, if this person doesn't perform that person's pay will be lowered. Just like a perpetual pay for that person on this campus. And also this, I'm not sure whether this, you know, [inaudible] professors that are in the pipeline, now we're talking about pay 30 thousand, I don't know how many, you know, top five instructors you can hire for that money. And how many classes, you know, how many students we can teach because this endowed person is doing like half [inaudible].

Jim: Does anyone want to weigh in on that issue that they are totally free to weigh in on that issue?

Kim: Yeah, I just want to put it on the record.

Jim: Does that answer your question?

Kim: Yeah, I just want to put it on the record. Okay.

?: So it's going to be [inaudible].

Mehran: I just want to quick comment before I get to this, I'm doing exactly what I'm going to say, we always do. But I feel like this committee needs to focus on what's on the agenda, we get scatterbrained a lot and that kind of takes away from us being productive and it's happening in this initial section as I've seen it a couple times already. I think we have to focus on what's on the agenda. We're not into the

recommendation portion even and we're already talking about possible recommendations when we're just talking about this program prioritization draft. Back to the program prioritization draft, I would...

Russ: This was a [inaudible], let me clarify. A status update. This is a status update. This is anything beyond a status update.

Mehran: It's nothing beyond that but I would just...

Russ: There are two items on the agenda and actually I [inaudible].

Mehran: Yeah, I would just, I'd like that we're actually beginning this process and I think [inaudible] also begin this process by trying to create a discontinuance and suspension policy.

Jim: We have a discontinuation.

Mehran: We have a discontinuance policy but they're going back to that and trying to address suspension. But I would just like to see as I requested in UEPC that some more student involvement be looked at when this committee is [inaudible] because just as it was mentioned on the UEPC there was little to none around [inaudible]. I just think student involvement in discussing programs since we are the consumers of the programs in essence and since we're paying more into this institution every year, 9% more, 9% more as of yesterday.

Jim: [Inaudible] your suggestion is that we need student representatives on this committee?

Mehran: I would, it's my request. I'm not control...

Jim: Have you discussed with your group? Is there support for that? I mean, this is going to be a third...

Mehran: I think my group would always support the student input on any committee in regards to program [inaudible].

Russ: I think the issue with this, just as it is with UPEC is that this is one of those working committees that's going to be time intensive.

Mehran: I know.

Russ: I mean as far as, I think the Provost's asking and what I always ask when I see these committees form is, you know, I'm thinking about who ought be on there too but I, I recognize the time [inaudible]. So, you're saying that your group has thought it through and is willing to do that then that's [inaudible].

Jim: Do you please have, would you have them take a look at this and see if they agree with you?

?: [Inaudible].

Mehran: Yeah, I'll take this back to them [inaudible] and I can speak for my group and say that whenever it come to student representation the more that we can get, the better.

Russ: Well I don't think [inaudible] I'm going to speak for myself [inaudible] in fact I've got a couple requests I'm going to make soon but I think it's really great to have the students on the committee. I am very respectful of the time.

Mehran: Okay. Oh no...

Russ: I have been struggling with this committee and we've got to talk about that five minutes at least before we go. I'm going to give John a quick opportunity to speak and then I want to come back to setting schedules because that's the most critical thing. And the committee's got to move on the timeframe. And so, I'm very conscious and worrisome about putting that burden on someone who's got a full time job here already. John?

Guest – John Mayer: My question kind of relates to back to point two, trigger cuts and also program prioritization. We talked about our, not our faculty, our salary's represent about 80% of our budget, we know we collective bargaining and we have notification parameters. How do we possibly deal with a 2.2 million dollar mid-year cut with that restriction on us? Is it possible to actually get 2.2 million out of our budget and not deal with that kind of [inaudible] salaries?

Russ: It will be more challenging [inaudible] cut but we are, you know, it's not like we haven't been worrying about it, trying to plan for it. What I tell all the managers and I tell all the VP's is you know this is coming, act accordingly. By act accordingly I mean, the only money you can save is the money you haven't spent. So be cautious about spending. And so I think that that's been the password. But everybody knows this is coming, you know, and, you know, centrally we've been trying to prepare for it. But prepare for it on the basis of being one time. If it goes beyond that this committee will get into the fray pretty quickly. Yes, you know, and then I want to get into this other.

Neil: And I don't want to hold us up. I just wanted clarification from the Provost on if we were to prioritize a particular program and to eliminate, is there reasonably could it affect the budget we're in right now?

Jim: Probably, yeah maybe, not totally, maybe somewhat but it, for this year, probably not. There's not going to be a lot but, you know.

Russ: This gets back a bit to what John was just asking. If, you know, because the trouble with mid-year cuts is [inaudible] for anybody to mobilize, not this is got to be done so that for future years we have a path. And even this year you start the path. But I think what John's saying is valid. It's very challenging the [inaudible] the year. And, so we have been thinking about it and trying to work on it and if we can, you know, that's what Michelle and I worry about every hour, every day and sometimes in the evenings. So, you know, it's not easy and I'm hoping we can do it but we'll let you know as we know how this evolves we will keep everybody posted.

Jim: I think there's a short term dimension to this, a medium term and a long term. I think we should be thinking about all three. Obviously, the short term has the biggest pressure on us.

Russ: Spring schedule, the short term.

Jim: Yeah and then...

Russ: That's a very good example, the spring schedule, we can do something about.

Jim: Right. One of the few things we can do something about.

Russ: We've got [inaudible] super seniors. We have to deal with that. And Ron you've been involved in this other conversation. We have to deal with that. That's something that's going to be very challenging, new dimensions, new thinking. But we need that for, you know, it's really going to be important to get input from our students in terms of the right way to do this so that we make, it's got to happen. Any other campuses have already done it and started. We're late at this stuff. I'm just putting these things out there. That's what these issues bring to the table if we have to make [inaudible] cuts but again, in honor and respect of [inaudible] said, you know, I'm going to, we haven't got to that stage yet. So there's a lot of these tools we will get out on the table quickly. Meeting times. I've had a big struggle. Looks like Tuesdays are a good day and so I would like for you, I'm going to send out one more request. I really want the committee to think hard and try to make themselves available as much as you can please. I respect the fact that like in the case of the student committee, you guys meet at certain times every week and if there's a regular committee, I understand, we have that problem.

Jim: Well and the senate too.

Russ: The senate, I understand. So maybe Tuesday's not going to be a good day but I'm going to send another request out, please try to be as open as you can. And I'm not, Professor Tan I'm not saying we're going to look at faculty teaching first, the absolute committed schedule [inaudible] but beyond that please urge your colleagues because the real problem like at this point has been our ability to get open slots in our [inaudible] members. You've been very good in fact and I think the fact that you're here is indicative of that. But I know people are busy. I don't discount that one but I really, I'm going to put one more request out there to try to find a day that we can put a regular meeting on the calendar, everybody knows it's going to happen. I'm going to try to do this every two weeks if we can do this because who knows what's coming in terms of the schedules that will be given. So, is that okay with everyone? It's just a plea and then we'll go from there. I mean, it may be when we set the date that someone cannot be here. Well I think we really need to reassess whether they should be on this committee or not if it's not a priority.

Frank: [Inaudible] two hours.

Russ: An hour and a half. And Calvin recommended an hour. If we have meetings like today where we can move through pretty quickly that's pretty good, I'll be better and better at managing the time but I don't like to stifle discussion so I really want to have it be an hour and a half. But let's try it and see what we can come up with. An hour and a half seems tough but we'll try. Okay? Thank you everyone. It's been a good first start. I appreciate the membership and the and your...