

**CSU STANISLAUS
UNIVERSITY BUDGET ADVISORY COMMITTEE
MAY 2, 2014**

**SUMMARY NOTES
(Approved May 9, 2014)**

Present: Ms. Eileen Hamilton, UBAC Chair; Mr. Carl Whitman, UBAC Associate Chair/AVP; Professor Paul O'Brien (Sociology); Professor Stuart Wooley (Biology); Ms. Lori Phillips (Staff/CAHSS); Dean James Tuedio (CAHSS); Director Julia Reynoso (Facilities Planning); Budget Manager Michelle Legg (non-voting); Ms. Julia Fahrenbruch (non-voting/volunteer). Not Present: Professor David Lindsay (FBAC); Ms. Mariam Salameh (ASI President); Mr. Marvin Hooker (ASI Vice President); Ms. Alissa Aragon (Staff/Campus Life).

Chair Hamilton called the meeting to order at 12:33 p.m. Action: It was moved and seconded to approve, as distributed, the draft April 29, 2014 summary notes. The motion passed unanimously. A draft summary of the April 30 Campus Community Forum, distributed at the meeting, was approved for posting on the web with one revision on page 4, under general comments from Professor O'Brien: Add to the end of the second sentence the phrase "...because we were only doing budget reductions."

2014-2015 DIVISION PRIORITIES – COMMITTEE DISCUSSION

Chair Hamilton asked the Committee members what, out of all the priorities, would be number one? Director Reynoso noted that one of the recurring thoughts has been to convert positions filled out of temporary funds to permanent base funds. Professor O'Brien also noted that, beyond converting, the general consensus was to use base rather than one-time whenever it involves funding positions, at least to the extent possible—having employees safe should be a high priority. Budget Manager Legg pointed out that this makes a huge difference when recruiting for a permanent position.

Professor O'Brien suggested that risk management has to be looked at carefully in terms of whether all the things portrayed as risks truly meet those criteria. If it does, he would personally put that as a priority—this is similar to position issues (what positions are critical) but in general terms. Professor Wooley agreed that it is important to look at all of the Divisions that address risk management concerns in their priorities (e.g., Enrollment & Student Affairs; Business and Finance; Faculty Affairs & Human Resources; Office of Information Technology).

Pointing out that it can be difficult to disentangle some of this, Professor O'Brien said that he went through the staffing lists (FTE) that were previously provided and identified which areas are plus or minus in 2009 versus 2013. As an example, the University Police department had 18 total FTE in 2009 and 19 in 2013, so they are plus one today. Specifically regarding Police Officers, they had 5 in 2009, went to 6 for a couple years, and then back down to 5 in 2013. Professor O'Brien acknowledged that the campus does need officers and said he is not arguing against the request, but asked if our first priority is to fill that hole or is it to consider what they asked for—in theory, they are down one but they asked for two? On the surface it is inflated—are we in the minutia to discuss that or do we simply rank order whether that is what we want to support? Ms. Phillips commented that this assumes they were fully staffed in 2009.

In response to Professor O'Brien's point that the Committee was given ten years of data for faculty and only five years for staff, Ms. Legg said that she was trying to bring that data in line with other sets available in October. She noted nine years of staff data are available as of July, which she could provide to the Committee if desired.

In response to Professor O'Brien's inquiry about what year the severe budget cuts started, Director Reynoso pointed out that some departments saw what was coming and began preparing for the future by holding vacancies even then—did not want to hire somebody and then have to lay them off. Professor O'Brien noted, however, that the ten-year faculty data provides a better look—pre-recession, recession, post-recession (or climbing out of the recession). Ms. Legg emphasized that even when we get rid of the Divisions and structures and do it at the department level, it is hard to know what reorganizations have happened. She noted that the whole risk management section in Financial Services was eliminated and all those duties were taken on with a half-time coordinator, but that was then cut the next year. Also, at one time the post-award grants responsibility was in ORSP. Ms. Legg said that almost all areas have had to reorganize or retool their processes and streamline.

Professor O'Brien referenced another area on the FTE staffing list that took huge cuts—Custodial Services went from 28 to 19 total, with Custodians in particular going from 22 in 2009 to 12 in 2013. He also noted that moving Custodians from night to day shifts means that they have to work around people and expressed his concern regarding the difficulties that creates for them. Ms. Reynoso responded that based on some of the research by the department it was a quality of life issue and there were a lot of other things that came into play in making those decisions. She noted that most Custodians are really proud of the work they do and of their contribution and that they do the best they can around high traffic areas.

Professor O'Brien said the question on the table is do we look back at where they were or is that irrelevant? Are we just looking at the proposals in front of us without the context of history or where they have been and where they are now? Ms. Legg indicated it is only one facet of the data and emphasized that these data are only a snap shot; it is helpful but it doesn't tell the whole story unless you really go back and look at the budget and headcount. Ms. Phillips also noted that Public Safety drew comparisons to Sonoma (14), Channel Islands (15) and Monterey Bay (15), saying that those environments are similar to our community. She pointed out that knowing the history is good, but there are other factors we have to consider. Professor Wooley said another good assumption is that the Vice Presidents have talked to the people in their Divisions and made assessments based on the data they have at the moment; ideally they have taken those things into account and have gone through a rigorous process to come up with their recommendations. Acknowledging that it is complex, Professor O'Brien commented that some Division lists seem really high in the numbers of employees they are requesting. For example, Faculty Affairs and Human Resources has not gone down that much but is asking for five positions; however, their focus is on risk management and the things you really need. Professor O'Brien said he is not arguing against that request, but when you compare it with the historical data it is high. He asked, is that part of our purview?

Professor Wooley pointed out another factor is that the campus has increased in size by about 2,000 students. Dean Tuedio and Ms. Phillips also noted that there are a lot of new regulations and mandates. Professor Wooley said that increasing staffing from 2007 (or 2009) seems logical in terms of how the campus has grown and also assuming that the number of regulations and mandates will continue to increase. Some discussion ensued regarding Title IX issues and who has the responsibility for responding to incidents, University Police or Judicial Affairs. Depending on the circumstances, Ms. Reynoso noted that it could be both.

Dean Tuedio said that looking back provides a sense of the impact the budget cycle has had on different sectors, however, what is presented here speaks to the current situation these areas are in—some scaled back out of necessity, but the work has amped up and they need to redistribute that workload. The position requests are targeted to pretty precise needs (and a lot more precision comes into it later), but we don't know what kinds of positions were let go, whether any were replaced, or if they have taken on new tasks. He emphasized the need to be careful about using the old data.

Dean Tuedio agreed with Professor O'Brien's earlier comments that we need to make sure we understand the various categories of concerns raised and group the more specific requests in those areas. He pointed out that this is a long-term process and we need to help next year's process by clarifying the things that are important and what we would expect to see again next year if they don't find the funding. Professor Wooley agreed that UBAC's recommendations should provide guidance for the next year, noting that just the number of positions requested would likely exceed the \$1.9M in new funds (salary & benefits). He also said that a view of the future is important in thinking about those larger categories.

Indicating that he has some appreciation for the numbers now, Professor O'Brien said that as he sees it very crudely the university's budget is \$94M—half state and half students—and we have \$1.9M in new funds. Noting that the staff presentation was very powerful, he stressed the need to couch what we have and what we are currently spending in context. It took five years to get where we are and it's going to take multiple years to recover. Hopefully, people will see that and realize that we are not going to get everything the first year—it is a process of rebuilding.

Dean Tuedio agreed with comments about the significant numbers of personnel being requested and pointed out that fair comparisons probably are not possible given that in some areas the priorities and the FTE requested are very specific, while in others they are not. Professor O'Brien emphasized that this really speaks to the concept of having these categories so there is some standard—we have taken it out of a specific number and put it into a more general framework where it can then be looked at and evaluated. Ms. Reynoso pointed to another concern, noting that each Vice President put forward their priorities and had to summarize to a large extent the background, so we don't have the full context of what brought that priority forward; they had many more reasons for putting these above other needs.

Pointing out that the President had raised the question of the Lottery funding in the Library and noting that this is not addressed in any vice presidential request, Ms. Phillips asked if that subject was separate or tabled? Dean Tuedio commented that UBAC might tacitly speak to its relative priority when other priorities enter the stream of discussion. UBAC might suggest that if other things we are encouraging support for would appropriately fall under the Lottery funding source it might provide an opportunity to shift the Library over to base funds and free up some of that revenue. Noting that this would speak to the importance of addressing the issue of whether the Library funding is appropriately covered from the Lottery account, Dean Tuedio pointed out that he has not seen anything yet that says it is not.

In further discussions, Ms. Reynoso said that the shifting of funds could still be discussed and brought forward from UBAC without necessarily taking out one priority or moving around vice presidential priorities, because it is a matter of how you structure where the money comes from. Pointing out that shifting some of the Library funds to base reduces our available base dollars, Ms. Phillips asked if UBAC could recommend base versus one-time, or do we just make a general recommendation? Professor Wooley said that the prior UBAC report basically accepted those priorities and didn't talk about whether it came out of base or one-time, although it appears that a lot came out of one-time. Professor O'Brien indicated he would strongly favor saying something about base and one-time funding and referenced a comment by Dean Tuedio about the Library and slowly changing the funding source over multiple years. Dean Tuedio noted that just under \$100,000 in General Fund money is allocated for library acquisitions and \$500,000 from Lottery. He said that based on the way funds are distributed there is at least an assumption of some kind of balance. However, Lottery funds are not suppose to displace our General Fund investment in ongoing needs, so it seems at least half of our acquisitions should come from the General Fund, and maybe more over time.

In response to questions from Professor Wooley regarding compliance issues, Ms. Legg said that subject has not come up in any audits. She noted that total funding for the Library is about \$2M from various pots of money and the auditors don't consider that to be out of line. However, if they drill into the detail they might say we need to move some dollars, because we are basically buying our books with Lottery funds. Ms. Legg pointed out that the real issue is what would we appropriately fund with Lottery money instead of the Library—the hardest part is to shift it, because you are swapping out expenses and saying this is a better use of Lottery money. Professor Wooley said it might be an important suggestion or recommendation to eliminate as many of these types of compliance concerns as possible, so we are not suddenly told that we have to make some changes in the current year. Following further discussion, Ms. Legg said it is not a compliance issue, but we are really pushing the envelope in terms of 25% of the Library budget coming out of Lottery funds.

With respect to the reserve account, Professor O'Brien asked why we couldn't use one-time funds for that purpose each year? Dean Tuedio pointed out that sometimes we have to make a base cut. Ms. Legg also pointed out that this year the reserve would be reduced by \$100,000 just to fund the compensation. If we didn't have that reserve, we would have to take it off the top of the new money. The reserve also provides the ability to adjust for things that don't always come out exactly as projected. Professor O'Brien emphasized that he is not arguing against the reserve, but wondered why some of those one-time funds couldn't be used for the reserve. Ms. Legg noted that we would not have one-time funds without the base reserve that creates those one-time dollars. Ms. Reynoso also pointed out that what the President was asking for with a base reserve is to have that cushion against unanticipated expenses or mid-year budget cuts. Professor Wooley said that a UBAC recommendation last year was to make the reserve a budget item in the base budget, but noted he did not think that policy would exclude putting one-time money in the reserve. Ms. Reynoso also pointed out that the recommendation states the reserve account would not exceed 5% of the campus budget in order to avoid reaching a point where necessary things are not being funded. Professor O'Brien asked, what are one-time monies? Dean Tuedio and Ms. Legg responded that there are a lot of different sources for creating one-time funds, such as salary savings, non-resident fee revenue, and over enrollment revenue (minus any cost).

Dean Tuedio suggested that UBAC's report should contain precise but general recommendations, although not as general as last year's, which didn't really prioritize but just validated the requests. He acknowledged that last year's requests were scaled in such a manageable way that it was fairly straightforward to do it that way. However, this year we have a very different scale of requests. Dean Tuedio commented on the need to speak to issues, like the Lottery funding of the Library, without being prescriptive about what to do and also to encourage the redirection of resources from contingent funds to permanent funds—identify what kinds of things we would encourage to be funded by the more permanent funds, and what we would see more sympathetically if they were funded out of contingent money.

Noting that the Committee should provide insight from its collective thoughts and discussions, Professor Wooley said if the Committee wants to provide recommendations and advice on the budget to the President then we should do that, even if it is outside of the Vice Presidents priorities, without being too specific (e.g., use Library money for these things...). Professor O'Brien asked if we are then getting into the minutia of each Division and all their requests (e.g., Public Safety)? Dean Tuedio responded that we would be distilling from the Division requests the kinds of things that have come to the surface and their relative sense of urgency or the importance of that investment. Professor Wooley agreed, noting that the requests could be grouped into some categories, leaving the minutia for others to duke out who have the time and subject level expertise. Using academic advising as an example, Ms. Reynoso commented on the need to get those areas all talking to each other, even if they have independent people doing it (e.g., Athletics), and making sure it is a coordinated effort including funding decisions.

Ms. Reynoso pointed out that last year the President asked the Vice Presidents to have this discussion and to prioritize recommendations together. This year is a continuation of that process, but this time it is a lot more detailed. Dean Tuedio pointed out that the Vice Presidents would have to do that again after UBAC submits its recommendations and we will provide some guidance for that conversation.

Dean Tuedio commented that an area mentioned in the Academic Affairs request, about which there has not been much conversation, is the instructional needs relative to growing our FTES target. What do we do with faculty lines when vacated by faculty who are promoted, retire, resign, or terminated? He expressed concern that if the Committee only speaks to those other things, as some of these positions open up that funding may (as suggested by our silence) shift over to some of the priorities that didn't get funded. Dean Tuedio emphasized the need for caution in how we talk about the delivery of the curriculum to our students, because that is impacted by growth and by the degree of our investment in it. Ms. Legg added that identifying what the campus needs in terms of growth and our base infrastructure are important considerations. Professor Wooley asked if he was speaking primarily in terms of instructional delivery? Dean Tuedio responded that he was talking about courses. He pointed out that the Committee has talked extensively about student success in terms of advising and other things, but there has not been discussion about offering courses in a way that facilitates reasonable progress to a degree and also addresses some of the realities of our workload among the faculty as we shift from temporary to tenure-track positions. He pointed out that there is an impact on our capacity to deliver a number of courses because tenure-track faculty don't teach as many courses for that money as contingent faculty would, yet we still need those courses and we need the tenure-track faculty. Dean Tuedio said there is a whole dynamic that the FBAC resolution was signaling we need to keep in mind—a fundamental investment that we need to remember is essential to the delivery of the curriculum and it has some priorities that are related to replacing faculty.

Associate Chair Whitman said there is an implicit priority #1 and Dean Tuedio is saying we need to state that—the \$1.9M is derived from a 200 FTES enrollment growth assumption, so the very first priority is how do you meet that extra growth? Dean Tuedio said we need to recognize that during the very tight austere time some things happened in the delivery of the curriculum that are not long term sustainable in terms of class sizes that were expanded and reduced sections in certain areas to just make ends meet—if we are giving more compensation to the faculty chairs, if we have more tenure-track faculty, then right away we are not delivering the same amount of curriculum unless we replace courses with part-time or contingent funds. In response to Ms. Phillips inquiry, Dean Tuedio confirmed that this is what the dollars for the chairs would help support. Ms. Phillips pointed out that the number of hires during the last two years, especially faculty hires, reflects that these positions are critical to the mission of the campus. She noted, however, that in some cases the same level of hiring hasn't occurred in critical areas of the staff. Acknowledging that faculty are the ones that meet with the students, Ms. Phillips said there are a lot of behind the scene things that are really being stretched thin and we see that in some of the services that students aren't getting or in their frustration with how they sometimes have to go to different places to try and get things resolved. Ms. Phillips expressed agreement with what Dean Tuedio was saying, but noted there is this other side as well. Dean Tuedio agreed but noted that component has been brought to the table and this has not—we should not forget the things that are implicitly fundamental to what we do, but did not involve a real significant request for growth in funding support.

Discussion ensued in response to questions regarding the campus growth target (2.9%) and the over enrollment penalty (3% above target) for 2014-2015. In summary, this growth target assumes the one-time over enrollment for this year would be converted to base ongoing next year. Also, the enrollment cap penalty is triggered if we exceed our 2.9% approved enrollment growth target by 3% (103% of the target), which means we could reach around 106% without a penalty.

Dean Tuedio noted that this year we reached approximately 104.6% enrollment growth. He said that if we build a comparable schedule we are probably in a pretty safe place, but we need to build and fund that schedule. If some critical need tenure-track positions are hired, there may be a small gap in the funding of sections relative to what it costs us this year to fund that schedule. In response to Professor Wooley's inquiry regarding whether the \$100,000 being taken out of one-time dollars will fill that gap, Ms. Legg said that the cost is about \$1M in salary & benefits for settling out the prior year July/August contract.

In response to questions about the Governor's May Revise, due out May 15, Dean Tuedio said that there very likely would be more information in June or July, after the Governor and Legislature come to an agreement. He pointed out that the kind of recommendations we make are really geared to sustaining things, dealing with potential growth, and recognizing that in two or three years, when Proposition 30 lapses, there also may be some tightening because we won't know the political climate—that uncertainty is another reason for the reserves.

In response to Professor Wooley's inquiry, Dean Tuedio shared with the Committee seven categories that he had identified (*see next paragraph*). Dean Tuedio noted that outreach is both to the community and within the campus (e.g., wellness activities is not addressing an audience but trying to build an impact to make the community healthier). Ms. Phillips asked about changing staff replacement to staff development, to include replacing positions and training and the various things mentioned? Dean Tuedio said that some staffing needs are pretty concretely requested, but staff development is more in the realm of compensation and staff support and providing what they need and deserve to do their job. Professor Wooley noted that the reserves are not addressed in any of the requests, however it was addressed in the previous UBAC report. Dean Tuedio said that report should be included as part of the current input to provide some context. Professor Wooley also expressed agreement with an earlier comment that whatever we put together informs subsequent committees. He noted that the Committee might also rank within these across divisional priorities (e.g., identifying the top tier priorities and then maybe a second tier).

Following the meeting, Associate Chair Whitman provided the following description via email that was distributed to all UBAC members:

A general framework for presenting our recommendations was proposed. It takes the form of seven broadly defined categories, within which we will attempt to assign and prioritize the individual requests made by each division VP. This will result in requests from multiple divisions being combined within the higher-level framework categories.

The categories are:

- Instructional support
- Risk management and compliance
- Student success
- Workload / compensation / additional staff
- Operations / maintenance / equipment upgrades
- Outreach
- Reserves

We also will incorporate within these categories the specific concerns addressed by FBAC, ASI, and the Staff during the Community Forum.

In subsequent discussions, there was general consensus that each Committee member should use this higher order framework to plug in the priorities they believe fit within the different categories. At the next meeting, the Committee will begin to distill those and debate the ranking—taking them out of their Divisions and deciding on the weight of those within the higher order groups and eventually develop a framework that all members can agree on. The input from the forum (Staff request, ASI resolution, FBAC resolution, and general comments) will be part of this process. Chair Hamilton again stressed the need to approach this from the perspective of what priorities are most important and not based on the dollars.

MEETING SCHEDULE

- The next meeting is May 9, from 1:00-2:30pm, in the Lakeside Conference Room.
- The meeting with the President is May 16, 1:30-3:00pm, at which time the Committee will share the general strategy and process and receive feedback from the President.

ADJOURNMENT—The meeting adjourned at 1:45 p.m.