Members Present:
Patricia Jennings, Jim Mitchell, Carol Reese, Meiling Wu (Chair), Helen Zong

Members Absent:
Hongwei Du, Kris Erway, Don Gailey, Gary McBride, Aline Soules, Peg Winkelman

Guest(s):
Tamra Donnelly, Mike Mahoney

1. Minutes approved

2. Agenda approved

3. Report of the Chair

3. a Meiling identified three budget domains:
   a. Academic Affairs
   b. Foundation
   c. Office of Advancement

   Meiling pointed out that this quarter COBRA will focus on Foundation with particular attention to the issue between Foundation & ORSP regarding indirect costs (IDC). Meiling suggested that we invite a representative from Foundation & ORSP to speak at one of our meetings.

3. b Second meeting is 3/2 same day as UPABC on 3/12. A committee member suggested that we attend COBRA for 1 hour and then move to the UPABC meeting.

3. c The last COBRA meeting is during final exam week. The committee needs to vote on holding or canceling the meeting.


4. a Carol developed an overview of the A2E2 process. We reviewed and discussed the document.
   Carol noted that A2E2 was meant to be cost neutral over the 4 years because of the plan to purchase tablets which would, eventually, reduce student cost through access to discounted e-books. Although the tablet has been controversial, it has come back up and is now under discussion.

4. b Carol reviewed a revised hand out of the budget model of faculty funding.
5. We discussed Communiqué article of 1/14/2011, “Strategic Organizational Adjustments.” The communiqué focused on Foundation and OSRP. News of Rhea’s departure and the revamped job description (the new hire will be in charge of three offices) was also included.

6. Research Strategic Planning Task Force Report:

   The report includes results of faculty surveys that tap into issues of faculty support for research and experiences with and attitudes toward Foundation and OSRP. Meiling requested that the committee review the survey results as a way to prepare for a visit from Foundation & ORSP. Issues of IDC are especially relevant to COBRA.

7. Search for AVP of Research and Professional Development
   No discussion

8. Senate Chair Mike Mahoney invited to report to COBRA members.

   Mike reported on a meeting that Chancellor Reed held on February 16 with 20 CSU Senate Chairs.

   The Chancellor indicated that this is the worst budget that CSU has seen in the past 14 years. The Chancellor reported that the CSU took the biggest hit among all state organizations. If Brown’s tax initiative does not pass, our budget cut from 2007 going forward will be $750 million. This equals a 30% cut with the CSU serving approximately the same number of students.

   Mike noted that 33% of tuition goes to state university grants. Thus, 33% of any tuition increase goes to financial aid, so this amount cannot be accounted in our CSU budget. The Chancellor noted that there is talk about reducing the 33% to financial aid to 25% or 30%. Chancellor did not take a position on this, but noted that the idea is under discussion.

   The Chancellor discussed November 2012 proposed tax initiatives (to be voted on):
   The three Initiatives:

   a. Governor Brown’s proposal: The goal is to invest in K-12 and public safety. Revenue raised by an increase in payroll taxes on incomes of $250K and up and a sales tax increases. The tax increases would expire in five years. The Chancellor views sales tax as regressive.

   b. “Millionaire’s” tax proposal: Driven by teachers and nurses unions. Would raise $7 billion, has long time limit, and includes set aside for UC, CSU & CCCs.

   c. Our Children, Our Future: Local Schools and Early Education Investment Act (Munger Initiative): Raises $10-11 billion a year through a “sliding scale income tax increase.” Funds would be primarily earmarked for K-12 education.

   The Chancellor noted that Brown did not focus on his proposal at the Democratic Convention held last week. The speculation is that other two proposals, which were introduced after Brown’s proposal, may bring in more money.
Problem: Three tax initiatives could have a negative impact on voting—none of the initiatives may pass.

The Chancellor also discussed the high cost of health care. There has been an increase of $45 million in last 2 years and the CSU has absorbed the cost.

The Chancellor said the trigger for a $200 million cut to the CSU will be implemented if none of the tax initiatives pass. He also noted that State and CSU calendars do not match well, which makes it difficult to anticipate and adjust for cuts.

The plan is to keep CSU 2012 enrollment about the same, which, again, raises the issue of the timing of state cuts. We will not know the budget until June or July.

The Chancellor pointed out that, despite CSU & UCs willingness to work together, the Governor does not want to negotiate with CSU & UC as a consortium.

In his discussion on debt, the Chancellor noted that we can pledge debt on non-state buildings like dorms, but we cannot borrow against state buildings (i.e., CSU libraries). The problem with borrowing against non-state buildings is short payback time.

One Senate Chair asked if the Chancellor would consider closing a campus and he responded that he will never close a campus because of the negative impact on the institution and local communities.

5. General Discussion
   No discussion

6. Adjourned at: 11:10 a.m.