3/1/13 Approved Minutes

Members Present: Gilberto Arriaiza, Gary McBride, Ching-Lih Jan, James Mitchell, Helen Zong, Alien Soules, Paulina Van, Meiling Wu

Guets: Endre Branstad, Monique Cornelius, Jennifer Eagan, Kim Geron, Susan Gubernaut

1. Approval of the Agenda
   Moved/Second: Aline; Ching-Lih Jan
   Approved

2. Approval of the minutes
   Moved: Aline; Ching-Lih Jan

3. Report of the Chair

   Meiling introduced visitor, Brad Wells. Announced the CFA news that equity pay has been approved. Meiling announced that the Q2S subcommittee report is finished, and she requested that we send it to ExCom.

Motion: Moved to send Q2S Report to ExCom
Moved: Aline; Jim
Passed

4. Report of the Presidential Appointee
   No report

5. Report of the Subcommittees

Q2S Subcommittee (Pat Jennings)

   Pat announced that the Q2S report is now complete and a copy was given to Carl Bellone for his report. Mitch Watnik announced in the last Senate meeting that the committee’s estimate was within 5% of Sue Opp’s estimate for assigned time.
Self-Support Committee (Jim Mitchell)
Did not have a quorum at the last meeting.

Old Business

6. None

7. New Business
   Brad Wells visit. Brad addressed the questions sent to him by COBRA.
   Items discussed:

   1. Equity bargaining agreement
      a. Brad estimated that the cost of making the award will be about 200K in one
         year including benefits based on the list of faculty who qualify. Equity pay
         will become part of the base compensation going forward. Kim Geron
         indicated that 200K may be an overestimate since some people on the list are
         no longer employed at CSUEB. The equity pay is not retroactive. Jen Eagan
         announced that if anyone wants to know if they are on the list they can contact
         Susan Gubernaut.

   2. Financial Statements & Growth of Unrestricted Net Assets
      Discussion focused on the need to explain the increase of unrestricted net assets over
      time period specified in the question sent to Brad:
      a. State appropriation is governed by Budget Act. (See attachment for dollar
         amounts of unrestricted net assets as of 6/30/12). Each fund is restricted by law,
         but financial statements do not always reflect legal restrictions associated with the
         “unrestricted” funds. For example, Housing is governed by Education Code
         89703 which, in effect, places restrictions on “unrestricted” housing funds. Even
         the operating fund is designated to a specific purpose.
      b. Why did the “unrestricted net assets change”? Brad explained changes that
         impacted each category. For example, housing decreased because of capital
         outlays for housing improvements (reduced from 5,025,924 in 2011 to 2,941,732
         in 2012).
      c. Continuing education shows a large gain from 2011 to 2012. We reviewed
         “restrictions” on the flow of self-support monies.
- Discussed need to find a format for presenting data to faculty. Brad wants to start with a standard report package that makes sense to faculty.
  a. Gary request that more clarity on the revenue in each category be provided (i.e., some of the revenue is allocated for cost recovery).
  b. Discussed the net assets from additional fees in anticipation of reductions prior to the passage of Prop 30. In 2011/12 we restricted expenditures in anticipation of the budget cuts, and this created a surplus. As we moved into 12/13 we had a 7 M surplus.

Question 3. Focus on Prop 30 and carry forward:
  We reduced our budget by 3.7 M. We anticipated a further cut if Prop 30 did not pass, but Prop 30 did pass. However, we did not recoup the 3.7M. The carry forward was used to pay for the one-time 3.7M cut. Of the carry forward 2.7 M came from Academic Affairs. We will not recoup the money since the State did not reallocate the money. The Provost should respond to how the 2.7M was allocated across Programs and Departments in Academic Affairs.

Question 4: Focus on the Governor’s Budget.

There was a 467M allocation to CSU from the State.

Breakdown of the 467M:
  -198M of the 467M has been appropriated to pay for cost for Geo bonds not previously associated with the university.
  -19M to pay Lease Revenue bonds. Debt service in the past was not paid out of the CSU budget.
  -125M of the 467M is replacement revenue for not increasing student fees. The cost for us was 132M and we received 125M.
  -10M is allocated for online instructions (purpose is ambiguous). Remainder is for instructional cost.
  -Allocation of the balance is based on discretion of BOT.

Question 5: Why do the student fees & tuition recorded in the FS differ from the figures that Brad reported to us?

The question actually compares two different numbers which are close but not the same. The State tuition fee was budgeted as 76M, but the actual amount collected was 74,636,775M.
The grand total of 88M on the spreadsheet incorporates a host of adjustments and fees that are allocated for other funds. For example, the State University Grant Program discounts tuition (e.g., the GAAP cost of $30,400,92 is money we do not collect). Each of the special fees collected are allocated for different funds (e.g., health fees). Thus, the actual collected tuition should not be compared to the budgeted 88M.

8. Decided to adjourn and invite Brad back to our next meeting
   Move: Adjourned invite Brad back to our 3/15 meeting: Pat; Gary
   Passed

   11:10 a.m.