Purpose here:
- provide an update on COBRA’s work and plans
- and its relationship to the current transformation of budgeting, planning, and assessment at CSUEB

Brief Overview of Work to Date:
- Received budget reports and updates
  - from the President (several)
  - from Provost regarding
- Organizing working relationship with the new administrative structures
  - while improving our ability to carry out our mandate for the Academic Senate
- Begun prioritizing goals for 2006/07

Big Picture on BUDGET

Overview of budget cuts and augmentations
CUT:
- $3.05M cut in General Fund Budget
  - = about 3.5% of $85M total General Fund Budget

AUGMENTATIONS
Two from the CO resulting from President’s targeted requests
- $2.8M earmarked augmentation at start of academic year
- $600k addition earmarked augmentation last week
Prop 1-D funds anticipated in February
- $47M for facilities repairs and upgrades

While augmentations are certainly cause for celebration and are sorely needed they are
- …not transferable into instructional accounts
- …they are one-time funds
  - so they do not solve our structural deficit (estimated at $1.176M by the President)

More information on cuts and augmentations

$3.05M cut in General Fund Budget
- all taken within Academic Affairs (details on that later)
- was taken as one time cut,
  - not as a cut to base allocation
- to avoid a cut next year: must achieve within 2% of target FTES next year
  - target has remained flat (7.5% increase over prior year actual)
each percent represents about 126 FTES
  o we are now 2.9% below target
  o so we need to add an additional 0.9% (~113 FTES) to be within the no penalty range
• based on Fall FTES numbers, if we cannot improve FTES in winter and spring,
  o we will have to pay back an additional $562k

$2.8M augmentation from the CO. President is allocating...
• $502k for computer servers and smart classrooms
• $419k for University Advancement (fund positions to carry out capital campaign)
  o will need to pay out of GF next year
• $1.879M Buildings and Grounds
  o improve campus walkways and roads
  o improve on-campus signage (and make it adaptable)
  o landscaping (esp at Carlos Bee and Harder entrances to campus)

$600k additional augmentation
• $600k additional fund for classrooms
  o Haber conducting review (lighting, painting, and blinds)
  o more information later

$47M in Prop 1-D funds
• Can start to address the $300M in deferred maintenance costs
  o (per 05-06 Year End Report of COBRA to the Senate,
  o http://www.csueastbay.edu/senate/cobra_docs.htm
• Funds won’t come until February
  o planning currently underway
  o COBRA will track as information becomes available
• While 1D is for capital investments, these can help reduce structural deficit in operational funds
  o e.g. energy efficiency improvements reduce costs
  o avoids costly surprises from deferred maintenance
  o which can free up money for instruction

Closer Look at $3.05M cut

Cuts all taken within Academic Affairs

Colleges were cut based on FTES changes
• CLASS: $801,901
• CBE $705,753
• CEAS $182,029
• CSCI $710,316

Colleges banked funds last year in anticipation of cuts this year
  Activity that we encourage to smooth impact of cuts in uncertain times
  • amounts varied from $0.5 - $2M per college
  • summed to $4M
  • some can cover their cuts with their banks others cannot

COBRA may be pursuing more information directly from the colleges
The remaining $650K is coming from Academic Affairs reserves (trust accounts), most of which is "one-time" money
- do not yet have details on this

**Bottom line**
- Will be operating under constraints in 06/07 (some colleges more than others)
- Still much work to do
- But, there is reason for optimism....at last!

**Transformation in Budgeting Planning and Assessment**

President Qayoumi has initiated a number of very welcome changes that are
- consistent with COBRA’s recommendations over the past several years
- on which he consulted the committee, and
- around which we will be coordinating our own activities

These changes should greatly facilitate
- informed management and
- budget transparency

Important changes that affect COBRA include the following

- The President is combining university planning, assessment, and budget functions in one committee (UPABC) that will include 7 faculty members
  - Senate Chair
  - CAPR Chair
  - COBRA Chair
  - 4 additional COBRA members

- The President will be initiating the budgetary decision-making process considerably earlier in the year than did Pres. Rees
  - COBRA will follow the same calendar for practical reasons
    - we require same budget information as UPABC
    - need to work with the same people
  - This rescheduling will allow us to get our recommendations to the Senate
    - before the end of the year
    - allowing us to get Senate feedback, at last!

- We are seeing rapid movement toward improved budget reporting
  - President presented a full funds budget right at the beginning of the year
  - He is initiating the use of common budget formats
    - the Colleges just submitted the first round of common format budgets
    - Provost’s will be moving to Departments next
  - The President is working toward giving database software access to financial information of all units by all units to aid in performance self-assessment.
    - will contain automatic report generator

- The President has indicated his interest in incorporating benchmarking and performance indicators in budget requests
  - this has been used effectively by only a couple of units in the past
- it will...
  - greatly aid budgetary and management decision-making, especially in problem areas
  - improve performance efficiency by establishing clear goals
  - facilitate assessment of administrative support functions (not just instruction)

COBRA will be tracking this progress over the year
- to ensure that budget reports are
  - accessible and user friendly for faculty,
  - and better able to inform our own decision-making

We are also pleased to note that
- intercampus expenditure comparisons are now available on the Chancellors Office website
  - result of an agreement between CSU, CFA, and the legislature
  - http://www.calstate.edu/budget/final_budget_summaries/
- may help us in benchmarking

Moving forward
COBRA is currently developing and Prioritizing Tasks for AY06/07 (deferred by need to get initial budget reports)

Some ideas being pursued by the Committee are
- pursuing a better understanding of enterprise and auxiliary accounts
- examining our institutional debt (avoid surprises)
- analyzing the new budget reporting system
- developing standards for faculty participation, transparency, and consistency where possible in instructional budgeting and reporting

We note that much of this work will by necessity be delayed because of changes in progress and the need to work with many new administrative staff
- New VP of Administration and Finance
- New AVP for Enrollment Services
- New Provost
- New head of Enterprise and Auxiliary Services

We welcome your input on current and future work.

FIND YOUR REPRESENTATIVE AT:
http://www.csueastbay.edu/senate/cobra.htm