CALIFORNIA STATE UNIVERSITY, HAYWARD
Committee on Budget and Resource Allocations
Approved as corrected

Minutes of the Meeting of January 16, 2004

Members Present:
Kris Erway, Karina Garbesi, Armando Gonzales, Bill Langan (Chair), Elinor Levine, José A. López, Nancy Mangold, Saeid Motavalli, Don Sawyer, Don Wort

Absent: Dana Edwards

Guests: Cal Caplin, Frank Martino, Julia Norton, Norma Rees, Henry Reichman, Arthuren Towner, Bruce Trumbo

Meeting convened 8:40.

(1) Agenda approved unanimously.

(2) Minutes of the meeting of November, 7, 2004, approved unanimously
Minutes of meeting of December 5, 2004, approved as modified.

(3) Report of the Chair
CHARGE TO COBRA: ExComm is requesting that COBRA prepare a written report describing the budget process and suggesting possible recommendations to improve faculty participation in the process. Recommendations should be forwarded to ExComm and the appropriate committees.
Lopéz: Shall we set a date for completion of tasks? Timing will affect the impact of the report and how complete it can be, given the dates of from reports from unit heads.
Langan: We are still in the process of learning. We should probably aim for the beginning of the Spring quarter.

(4) Report of Dean Arlene Towner, College of Education and Allied Studies
Towner: The budget advisory committee of CEAS is the Council of Chairs (COC). Towner asked if they would like to establish a separate budget advisory committee. The chairs said no, there are too many committees. The chairs are most knowledgeable anyway. Budget discussions are brought to the College Council, which includes, chairs, staff, associated student directors, and additional faculty (about 27 people total). COC has only 8 people. Early in the year the COC examines the previous year’s budget, which includes allocations to each department, allocation models for the year, the budget allocation memos that describe actual allocations, and the budget allocations for the year’s end for faculty and staff expenses. In March Towner requests COC (by memo) that the annual budget schedule for following year be created. The college uses an SFR target to determine if each department is earning its keep. She allocates $500 per SFR per quarter toward lecturer dollars. Chairs then get a spreadsheet that indicates the past year’s FTEF and their SFR target (based on the system-wide mean and a 3-year history of the department). This generates an FTES target. If they exceed the target, they get additional funding for lecturers during the year. On the same sheet the past year’s funds are indicated to make clear the changes for that year. The documentation also includes other
Langan: Where does funding for assigned time come from?
Towner: Some is reimbursed; some is not. Previous years’ assigned time is used to guide current allocations. COC is now going through the first session of the planning process right now.

Langan: Summer quarter is included in the planning; schedules are due in April. Given the planning horizon, that gives you enough information to plan in March and still include the summer quarter.
Towner: Yes. The purple sheet describes the allocation models. The general fund allocation (corresponds to the blue and green sheet operational budgets) is based on a three-year history, the size of the department and the specific needs of the department. The college reserves 10% for discretionary use. (For example, if faculty or staff have long-term illness, it must be covered by College at the end of the year.) • Concurrent enrollment, if available is allocated to the college by the provost. The department’s get 80% of their earnings. The remainder is reserved, usually for staff and faculty development. (Last year and this year none was available for faculty and staff development.)

Levine: What are faculty development funds used for?
Towner: Development funds allow faculty to go to meetings to learn as opposed to participate. • Professional travel is used for meetings, allocations are primarily based on FTEF, though there is a minimum allocation, so small departments can get some. • Equipment funds are distributed based on need. Otherwise the college does not have sufficient funds to purchase ‘large ticket’ items. Granted funds stay within departments. • Faculty and Staff Resources are continuing costs, paid off the top, for continuing commitments, including coaches and 3-year entitled lecturers. If entitled faculty depart mid-year, the money rolls back to the dean, not to the department.

Langan: Do you make up for losses in teaching capacity through lecturer allocations?
Towner: The department must request this. Considerations include those listed on the sheet. A separate account is set aside for chairs development.

Levine: Other than ‘sibling rivalries’, are there points of contentions that come up repeatedly.
Towner: ‘Not enough’ is the big one. Otherwise the chairs in the room should answer. Towner indicates that she tries to develop an atmosphere of common commitment. E.g., she developed a set of guiding principles for budget cuts, which were then discussed by the chairs. Departments are not equal for historic reasons. That is, departments have different SFR’s because some can and some cannot generate high SFRs. Graduate programs cannot, for example.

Sawyer: The process is very transparent in the College. Question to Towner: How many entitled lecturers are there in the college and what has been the growth over time?
Towner: She doesn’t have those data with her, about 20 people, but does not know FTE or PY.

Sawyer: There are about 100 3-year entitled faculty across the university.

Langan: Regarding planning for next year, 3-year lecturers are considered part of the core. Are the upcoming cuts likely to require cuts in 3-year entitled faculty?
Towner: It depends on how deep the cuts are. She needs to figure out the implications for the departments and whether unacceptable impacts might be ameliorated by assigned time reductions.

Langan: You cannot make up huge deficits with that kind of adjustment; the numbers aren’t big enough.
Towner: College does not do a lot of EQP. But many bank. Teacher Ed has almost all of their faculty working during the summer because that is when the credential program starts.

Lopéz: How are cuts allocated?
Towner: COC figures out where cuts can be make. Each department indicates what it can contribute. Everyone has all of the figures in front of them. They consolidate, delay projects, agree to assigned time reductions, etc. Each chair discussed cuts with the faculty. The departments work well together.

Lopéz: Will you use that same process for this next deeper set of cuts?
Towner: Yes. It worked last time. The most important thing to making this work is having all the data in front of everyone together. Everyone discusses together what the impacts will be on their programs. They decide together the priorities for the college as a whole.
Martino: The cumulative cut to us over the past 3 years has been double digit. Martino asked the Deans to prepare for two scenarios, a 7.5% cut and a 15% cut. The governor’s budget proposal is the best case. Actual cuts will almost surely be worse. Now he is asking for an 8.3% and 15% cut scenario. Sawyer expresses concerned about the coaches contracts: Many coaches have been here long term, but their appointments are annual and they do not have the opportunity to attain entitled status. Coaches play an integral part to the department’s capacity to deliver the its curriculum. This is not only a departmental issue, it is a university-wide issue.

Towner: We are at the bare minimum in terms of coaching staffing. Impacts would be university wide. That program took huge cuts in 1992 (18 people were laid off). If we lay off coaches we are out of the conference. We already do not have football and track and field.

Langan: This should be brought to the attention of the Layoff Committee.

Martino: Note that this is not technically layoff.

Langan: Graduate Writing Associates might be a parallel consideration.

Lopéz: We need to consider the trade offs. Do we discontinue a sports program or do we turn away teacher credential candidates?

Langan: As COBRA our responsibility is the long-term budget process. Not short term budget decisions.

Garbesi: Disagrees with Langan. COBRA’s responsibility to the Academic Senate includes addressing near-term budget decisions. This is particularly important during times of crisis.

Reichman: Agrees with Garbesi.

Langan: Agrees in general, but is concerned that this year we will not be able to get to the point of making meaningful recommendations on this year’s budget.

Ugbah: What is the relationship between the Layoff Committee and COBRA?

Langan: There is no formal relationship.

Martino: The Layoff Committee needs fiscal input (that implies input from COBRA).

Ugbah: This validates Garbesi’s view.

Trumbo: The Layoff Committee should come up with scenarios about actions to take given different levels of cuts. They need not necessarily have particular cuts in mind. The Layoff Committee can work with the information it has. They should suggests an approach to the president, and then she acts.

Wort: We must not forget the issue of maintaining educational quality.

Martino: We are not totally free to adjust the access number. The Chancellor gives us a target. Going below it will create a spiral of fiscal problems. There will be cuts in the number of students. In some way we will need to decide where the cut in students comes from. If we do not think about how we do this, the effects will be much worse than otherwise.

Lopéz: It is critical that COBRA provide recommendations to the decision-makers.

Reichman: Towner pointed out that some departments cannot come up to the system-wide average in SFR and that is tolerated. What do you do reward those that do better than the system-wide average?

Towner: It happens automatically through the formula. They get additional funding for lecturers. The allocation depends on actual SFR and a 3-year history. The college SFR average has to hit 16:1.

Langan: Do you divide into lower division upper division and graduate, like the provost?

Towner: No, we lump.

Langan: What percentage of lecturers do you think will be cut at this point?

Towner: The College has not yet gone through the process to make those decisions.

Langan: Do you anticipate that entitled lecturers will be cut?

Towner: We have to follow the MOU.

Langan: The MOU says you must discontinue one-year lecturers before lay-ofting off three-year lecturers within programs. But, to protect programs (for example coaches) you might wind up having to layoff entitled faculty. How will you handle this?

Towner: The college will have to follow the contract on that, but in the end, yes, it might. No one got a separate lecturer allocation for this year. This year they looked course by course to see how they could maintain FTES.
Langan: Did that work out?
Towner: Yes.

Chairs present from CEAS (who did not sign in as guests) agreed that they tried to protect each other’s programs as well as trying to protect our own, that they worked together as a team.

Rees Report on Meeting with the Chancellor

Reese: In the governor’s January budget there is a cut to the CSU of close to 9% in the general fund budget. Adding in the student fees as a partial offset, minus 20% to be set aside for financial aid, leaves the CSU with a cut of 8.3%. The governor identified specific cuts. These included, among others, eliminating the EOP Program. The Chancellor plans a 5% enrollment reduction, system-wide.

His justification? We cannot teach the number of students we have now with less money. Fee increases are included in the governor’s budget of 10% for undergraduates, 40% for graduate students, and 20% for non-resident students. The new budget includes a long list of unfunded mandatory costs. The Chancellor plans to propose a comprehensive budget plan to the board in March. This budget is the best we can expect, and is likely to get worse. Why? The governor’s deficit bond may not pass. If not, we are very vulnerable. Only about 17% of the state’s revenues are discretionary and the CSU is a very big piece of that. The remainder is health costs. The lobby to protect health is very strong and well organized. In addition, the Governor’s budget is based on the assumption that the economy will recover. If not, by the time of the May revise the numbers might go down even if the bond is approved. The VPs have been asking their units to develop plans for cuts between 8.3 and 15%.

When will we know? The may revise will give a picture. But, we may not know until much later. One year we did not get a final budget until as late as October.

Levine: Is there any reason to think that there is some assumption that certain programs statewide are more essential to the economy than others?

Rees: She has seen no indication of that.

Garbesi: What caused the growth in the cut estimate from 7.2% on Tuesday to 8.3% now?

Rees: The Chancellor’s Office’s analysis of the effect of the fee increase has changed.

Accord: Will the CSU still bear the responsibility of paying for remedial education??

Rees: There is no specific mention of cutting remedial programs except EOP. The Chancellor’s proposal will try to ensure no differential impacts on minority groups. But the current proposal to redirect students to junior colleges would certainly have such impacts.

Langan: To Rees... Do you favor a policy to protect programs, even if this would require cuts in entitled faculty?

Rees: If you try to cut across the board and save all programs, everything will be done less well. Is this a rational approach? Eventually one realizes one does not have the option of ‘nickel and diming’ and deep and narrow cuts might be preferable.

Trumbo: Differential fee increases will affect who shows up.

Rees: The 20% set-aside for financial aid does not come to us directly. We get less than we give. If our proportion of graduate students remains the same, we will benefit from that. If it goes down we will be hurt. How do we know who will show up? If fees go up, what looks like dramatically, this will tend to reduce graduate student numbers, at least in the near term.

Mangold: Related to fees, the governor’s budget suggests that particular schools will be asked to pay higher fees (e.g. business).

Martino: That only affects UC, not us.

Rees: She has heard the argument that high pay programs should charge higher fees. Her reaction: ‘Over my dead body’. That means poor students will be pushed into fields with lower economic returns. • HANDOUT: CSU Budget Office (Chancellor’s Office) report ACR73 Implementation Cost Projection. Rees asked Martino to produce his own analysis of what he fiscal impact would be on Cal State Hayward. In either case the costs of implementation are high.
Martino’s Report on Costs of ACR73 Implementation

Martino: Martino considers his analysis better than that of the Chancellor’s Office, but the final result is essentially the same. HANDOUT: Faculty Renewal Budget Projection. What would it take to bring CSUH to 75% TT faculty over 10 years? CSUH would need to hire 8 more tenure track faculty per year than the number of separations to reach the goal 10 years hence. The analysis assumed an 80% search success rate. Too low now. The analysis tracks only the costs of the first cohort (that is, the first year with 10 additional hires). The analysis uses 2002-2003 as the base year, in which there were 19 separations (including 13 FERPers). It tracks the lost FTES taught by those who separated, adds back in the FTES taught by those who FERP (1/2 time), replaces those and eight more (by conducting 34 searches), and credits the reduced need for temporary faculty.

Garbesi: Shouldn’t salaries for that first cohort have gone up over time had they stayed?
Martino: Yes. He will have Gonzalez revise spreadsheet, but does not anticipate a significant change in the figures.

Martino: The result of the model indicates that increasing the number of TT-faculty to 75% will cost almost $2M. (Secretary’s Note: This was reduced to $1.4M in the revised spreadsheet that accounted for salary increases (2%/year) that would have accrued to those who separated (row B of the spreadsheet). The value is so low, far lower than the assumed salary increases of the new hires, because most of those who depart are topped out on salary and are therefore no longer earning SSIs, according to Martino.)

Rees: That is two million just for the first cohort, that is, just for increasing the net faculty by 8 over the projected level, but the target is actually to increase by 80.
Martino: The spreadsheet also tracks Other Budgetary Issues, specifically unfunded costs (unfunded mandatory expenses, unfunded promotions, unfunded enrollment increases) and compares them to the cost of implementing ACR73. The losses resulting from the growth in unfunded mandates (including unfunded student enrollment growth) are even larger than what it would cost to implement ACR73. Looking at those numbers makes it clear why the percentage of tenure track faculty has gone down over time.

Mangold: Given the reality of the budget, what is the implication of ACR73 for us?
Rees: When the trustees adopted the budget request for 04/05 it included a line item to pay the costs of ACR 73. That did not come through of course and we are being cut further. But including this as a line item makes clear the compensation needed to implement the resolution.
Martino: This analysis makes very clear the mauling the university has taken over time. If something doesn’t give, the institution will cease to be what we expect it to be and what the state deserves.

Mangold: What is the current TT/non-TT ratio for CSU Hayward.
Martino: We are 60-something percent (a little higher than the system average at the time of the analysis, but probably not now). It is 66% system wide.
Wort: Regardless of the fact that we cannot implement this right now it is important to maintain the goal. The percentage of TT/non-TT does matter to quality of education.
Martino: So does adequate staffing.

Next Meeting January 20, 9 am. Dean Reimonenq, ALSS, will attend.

Meeting adjourned 11:30 am.

Respectfully submitted by Karina Garbesi, COBRA Secretary