(1) **Agenda approved**

(2) **Minutes, approved as corrected.**

(3) **Report of the Chair**

- Mangold asked the Chair for explanation of the budget process in an e-mail prior to meeting. Langan indicates that getting an answer to that question is one of the tasks that the committee is pursuing, but it will take time. Other mandates, like the nature of recommendations that COBRA will present to the Academic Senate, are less clear.

- Garbesi: A Budget Analysis Subcommittee might be needed to get us to that point. Materials are available now to determine what kinds of data would be necessary to make informed budget recommendations, but somebody needs to start thinking about it. In addition, she suggests that the committee might benefit from reading the NEA Budget Handbook for Association Leaders in Higher Education Units: Budget Analysis for Faculty and Staff.

- Langan: Suggests that the Academic Senate office could pursue getting the handbook for all members. Members agree.

- Langan: Agrees that pursuing a subcommittee now would be a good idea. Suggests that the subcommittee might analyze historical data. Academic Affairs allocation has declined from 59% of the budget four years ago to 53% of the budget now.

- Rees points out that her actual recommendation was NOT the number that resulted in Langan’s 53%.

- Langan: Hence the need to review the numbers carefully.

**Motion**: To create Budget Analysis Subcommittee (Garbesi/Sawyer).

- Trumbo: Maintains that the purpose of such a committee is still unclear.

- Mangold: Agrees with Trumbo.

- Langan: It would be useful for a subcommittee to look at 93-page Financial Detail Report to see which categories are relevant.

- Rees: Cautions against any actions that would require additional staff support. Staff already straining to supply services.

- Garbesi: If a subcommittee were to think carefully about the kind of data that might be useful, it could eliminate the guessing game of staff creating various
reports that turn out not to be useful, and thereby save staff time. If the 93-page report were made available in spreadsheet form, we might be able to begin some useful analysis of expenditures.

- Langan: Concurs with Garbesi. Suggests that the subcommittee could make recommendations on the nature and format of data needed in the Budget and Financial Detail Report, and do a historical analysis of changes.
- Trumbo: Currently reports are what they are to meet administrative needs. There may be value in including greater information in budgetary documents.
- Mangold: Cautions that it will be difficult to compare the last 5 years, particularly with changes in accounting practices. Wants to narrow the task assigned to the subcommittee.
- Sawyer: Agrees that clarifying the instruction to the subcommittee is essential not to waste the time of the subcommittee. This has been frustrating in the past for the subcommittees.
- Wort: COBRA as constituted would not be unwieldy for this task. It would be better to have an ad hoc group than a subcommittee.
- Informal agreement that an ad hoc committee would suffice.
- Lopez: We should have the larger group develop the areas to be analyzed and assign these to the subcommittee/ad hoc committee.
- Hoss: Financial detail data can be made available in spreadsheet form. It is generated by PeopleSoft. The 93-page report that we received had been truncated. There are three other ways of stratifying the data. But, it will not work to have non-staff analyze the data.
- Langan: Charges the committee to come to the next meeting with specific proposals for tasks for an ad hoc subcommittee: Friendly modification
- Motion to create ad hoc Budget Analysis Committee passed (one abstention, no no’s).
- Rees: Recommends that the committee ask what questions they are trying to answer before asking for data. Cautions that, if the questions asked are too narrow, it can give skewed view on the picture.
- Langan: COBRA should track the number of tenure track positions. The American Association of University Professors identified this as top priority. We are worse than nation as a whole.

(4) Review of the ’02-’03 Financial Detail Report
- Langan asks Erway: Was the August report to the Chancellor a line item report?
- Erway: There was a very short turn around time. It is used by Chancellor to project staff and faculty costs, so she puts her focus there. Little focus on other issues, allocations just get spread out over other needs (in rough proportions to previous years?). She does no analysis at departmental level. She projects based on FIRMS category not department level. The budget process starts in June, when the governor’s budget comes out. The August report cannot and should not be used to determine how funds should be allocated on campus or will be allocated. But, it will be close on salaries.
- Langan: How is the August Budget related to prior year’s expenditure report?
• Erway: She looks to the prior year for discrepancies (for example, what actually happened with part time faculty in ‘02–‘03) to adjust projected allocations.
• Garbesi: When does the larger university committee first begin to discuss allocations. That is, when is the first BAC meeting?
• Erway: Answer: In January, when the governor’s budget comes out. (In answer to Garbesi’s request for clarification, she indicates that the first discussions of ‘03 – ‘04 allocations would be in January ‘03.)
• Rees: BAC addresses the larger budget allocation needs. Faculty understandably tend to focus on faculty. We all need to focus on students. People are typically interested in what will happen to their departments at the time. We don’t do budgeting that way. Once the RBBR is complete, the Provost tells the deans their budget for the year. They are responsible not to exceed the budget. The President and the Provost do not micromanage the budgeting of departments. They only intervene when there is a problem. This year things will be managed differently. The Provost is giving the deans quarterly budgets and will make adjustments to follow FTES. We do not have budgets that allocate to the departmental level that we can hand out.
• Garbesi: The deans have to plan; at some point there must be department-level allocation information that can be collated. When does that happen? When could we collate a larger report?
• Rees: We cannot do that the way we operate.
• Garbesi: Surely the deans must create projections toward the beginning of the fiscal year.
• Rees: There is a problem with publishing budgets. The different deans do their allocations differently. Some moneys are handed out later, for example for Open University. Even if you had a plan, it would be a flawed plan. But you would never know that until much later in the year.
• Trumbo: In an ideal world, what kind of recommendations would Rees like from COBRA and at what times?
• Rees: She has asked each VP to prepare its request to the BAC in May. This is the time for feedback from BAC. Provost has requested funding for 10 new faculty each year. Has asked for money to offset the costs of FERP salaries. Rees did it this year off the top. In the past she has asked BAC members where she should take the money from. BAC members said they could not answer because they did not know how money is spent in non-instructional units. She then gathered a tremendous amount of information on that from staff. The committee then said it did not want to do the work through all of that information. The staff was insulted and Rees took it as a signal that budgeting decisions were being left to her. Now apparently this committee wants to learn. If BAC makes recommendations that are too narrow (‘we want this’), they will be useless. BAC must answer where the money should come from.
• Lopez: Where to get the money from is an unfair question to this advisory board, a Catch 22. Advisory groups can only give their opinion in terms of setting priorities.
• Rees: She knows where faculty priorities are without being told. It is not a secret, not a mystery. Is not helpful to her just to say ‘you need to take care of these things first’.
• Langan: That is difference between COBRA and BAC. We have taken Rees concerns to heart in terms of the commitment necessary to understand the budget. It is our task to help her.
• Rees: You then must do what other divisions do.
• Langan: Agrees.
• Rees: It will take a lot of time.
• Langan: That is part of the reason for the long assignments of members of COBRA.
• Wort: In the past the approach has been that in flush times we’ve said where money should go. When times are bad we’ve left it to Rees to determine were cuts should go. Part of shared governance is to share the difficult decisions.
• Sawyer: Rees comments on how funds are allocated in Academic Affairs are useful. In terms of understanding how other divisions are funded, we need to learn a lot. Do we start with zero-base budgeting?
• Rees: No, we do not do zero-based budgeting. Divisions have shaved and shaved and shaved. Ten percent since last year. We made heroic attempt to cover costs of entitled faculty. We had to make larger cuts elsewhere.
• Langan: That includes large cuts to part time lecturers. His department took a 12% cut to funds for its entire lecturer pool, which translated into a 17% cut for non-entitled lecturers. On another point… At one time there was no plan committed to paper on how the ALSS budget would be allocated.
• Caplan: BAC and COBRA have different roles. COBRA’s is long term planning. COBRA has to have a discussion about its role in faculty governance. COBRA is the arm of the faculty. Its role should be more involved in planning regarding budget development, allocation, and reporting. This is broader than what BAC does, which is shorter term, immediate responses to allocation questions.

(5) Next meeting, November 7th.
• Recommendations for next agenda: charges to the ad hoc committee, continued discussion of the Financial Detail Report, Erway will present information on lottery data, Academic Affairs can discuss 03’ – ’04 budget and process.

(6) Meeting adjourned, 11am.

Respectfully submitted,
Karina Garbesi, Secretary