Minutes of the Meeting of April 30, 2004

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

Guests:
Bob Brauer, Julie Norton, Norma Rees, Richard Sanchez

Meeting convened 9:05.

Agenda approved.

Minutes of April 2 and 16 will be e-mailed.

Chair’s report.
HANDOUT: California State University, Hayward, Finance Detail Report (This is actually that part of the report that details budget and expenditure data for Administration and Business Affairs)
Langan: ABA’s detailed budget is now available (see HANDOUT above). COBRA’s presentation to the Academic Senate is scheduled from 1-5 pm as part of the larger meeting. Langan plans to include the following: COBRA’s charge, process followed since summer, description of the campus budget process, discussion of 04/05 Budget and proposals for addressing cuts.
Garbesi: Recommends that COBRA create cuts scenarios as the units did before our May 28 meeting so that we can give the Senate concrete proposals to respond to. If we leave this until after May 28th we will not have time to organize our thoughts before the June 1 meeting.
Lopez: Dean Towner is documenting impacts of cuts as part of the cuts process. Lopez recommends that we at least ask the other deans if they are willing to pull together something similar documenting the impact of cuts.
Wort: Would have been useful to have a common budget cuts scenarios prepared by the different colleges to facilitate comparison. Science only did the 15%, others did multiple scenarios.

Motion (Lopez/Garbesi): That COBRA request the deans to estimate and report the impacts that would result from the cuts represented in the planning scenarios. Ask for this by May 14.

Discussion of Motion
Wort: Business will be engaging in a forum this afternoon on budget impacts.
Rees: July is planning a budget forum for June 1st. Good timing because it comes after we have better information on the likely ultimate cuts. COBRA should explain the current status of the cuts and the process that we have been engaging in to the Senate.

Garbesi: Unless we as COBRA develop scenarios of what cuts we would recommend under what circumstances the faculty will have nothing concrete to respond to before the end of the academic year. Faculty would then be faced with a fait accompli in Fall; they would rightly feel that they were not consulted on any of the specifics of cuts.

Norton: Useful measures to document: Reduction in C-classification classes.

Garbesi: Would also be useful to get information on what fraction of sections are having caps lifted.

Langan: Faculty cuts in total instructional salaries from 03/04 to 04/05.

Rees: COBRA has been looking at the budget cut impacts across all of the divisions. COBRA should not limit its focus to the colleges.

Motovalli: Regarding the motion, we might also request that the other units report on the impacts.

Langan: There is a special reason to asks the colleges, as their cuts would have the most direct impact on FTES and hence on income to the university.

Motion passed (10/0/1: Y/N/A)

Mangold: Would be useful to not only get information on the number of sections in which caps are being lifted but also on the actual numerical changes in the caps, as this reflects the potential change in total student load.

Langan: Have caps been lifted in all colleges?

Group: Yes.

Wort: Actual enrollments often exceed caps.

Group: SFR has already gone way up.

Mangold: Business is moving into very large classes (200 and more in introductory classes). Maxing out on use of large classrooms.

Group: What are we asking the Deans for?

- How many sections are being cut (relative to previous fall)?
- What is the anticipated change in total instructional salaries?
- How many sections had caps lifted and how much?
- Were class sizes increased significantly in 03/04 as well?
- What were the hoped for outcomes when class sizes were increased?
- What discretion have the departments been given in meeting SFR targets?

Langan: Course modifications, like increases in caps, are supposed to go through the senate. So there is some recourse on those increases.

Levine: Deans are cutting classes that are below ‘minimum’ enrollments rather than letting departments manage SFR increases as they see best. Cutting out specialty courses has the potential to drive students away as they see the quality of majors gutted.

Wort: We need to put in the record somewhere that these changes should be temporary.
Langan: While it is legitimate to ask how FTES target changes were set, it would be difficult to get a meaningful response to the question: “What were the hoped for outcomes when class sizes were increased?” The likely response would be to manage the budget cuts, but there could be many reasons.

Mangold: The administrative function should be at the college level. Her college is making these cuts to increase FTES.

Erway Addressing Reported Increase in MPP salaries at CSUH
HANDBOUT: MPP vs faculty expenditures last year and this year.
Handout: Faculty and MPP Resources, AY 2002/03 vs. AY 2003/04
Erway: This is a revised version of a spreadsheet circulated by Garbesi, which was originally based on data supplied by George Diehr, CFA/PERS. Erway indicates that both the data and the analysis may be questionable for a couple of reasons: It can be misleading to use two data points from October of two successive years to judge changes in MPP. If there were vacancies in the first year, they might have been filled in the next. The Unit 3 salary data can be misleading if comparing campuses because some campuses have a real summer quarter and some do not. Most places in which salaries are reported do not include summary salary data (they apparently didn’t here, because the data reflect only F/W/S numbers). Because we have a real, fairly equal summer quarter, this skews our data significantly relative to the other campuses.

Garbesi: These points have obvious merit and they argue for two things COBRA has sought, longer-term trends data and consistent budget/expenses reporting so that comparisons can be made. We can only do planning and analysis based on the data we have available to us.

Ricardo Sanchez, AVP Facilities Planning and Operations (FP&O)
Handout: COBRA MEETING FP&O Presentation, Budget FY ‘02/’03 & ‘03/04.
4/30/04.
Sanchez: Sanchez established a detailed budgeting system after he came to be able to manage effectively. All reporting was lump sum before. FP&O has a number of different budget sources: general fund, chargeback (state), parking, outside events. (Can use outside funds only to maintain facilities that get rented out.) A number of major capital projects are now underway or in the planning phases. As FP&O has capital projects have expanded from $3M/yr to $100M/yr, their staff has not increased. For large capital projects regular staff cannot be used. They hire consulting specialists.

Rees: Reminder, we are very limited on what we can do with parking funds. No general fund money goes into capital projects and vice versa. None of these projects are funded through the general fund.

Langan: Who will pay for increased maintenance when the new Business and Technology Building is complete?
Sanchez: We get our allocation per square footage, so it will come automatically.
Lopez: The data Sanchez provided shows the impacts of cuts well. FP&O’s load has clearly grown very substantially though many capital projects, but he has not had increased staff. What he has described would justify one full-time new staff member.
Sanchez: There will be a huge load next year with three simultaneous large capital projects. The campus was very far behind on ADA compliance. They are attempting to come into compliance over the next 5 to 10 years. Deferred maintenance is huge (> $30M). Cannot replace equipment when it becomes obsolete. This greatly increases the probability of major equipment breakdown. We are now funded for under 50% of our known need. There is now very little possibility to include contingency funds to cover these. FP&O took 13% cut last year. Two year reduction at 15% for 04/05 expected will be > 26%. Staff cuts since 1989, projected to next year: started at 139 and will be down to 73. What helped FP&O a lot was improved budget management from chargeback to upgrade equipment with labor saving devices. • They are producing expenditure reports monthly, developed with Kris. • In addition to operations accounting, each large capital project has its own detailed reporting.

Garbesi: Makes sense to leave grounds largely unmanaged at this level of cuts.
Sanchez: If we do not do the aesthetic work (on grounds) we might affect FTES. First impression of the campus is a major determinant in decision to come.
Saywer: How do deferred maintenance and other cuts affect potential for increased workers compensation.
Sanchez: They try to mitigate those impacts by careful management. For example, for special events they hire temporary custodial personnel and charge it to the event. They reduce the frequency of service. They manage labor loads carefully and consider what kinds of tasks require intensive focus. They consider this in their work scheduling and they have few injuries. They have an aging work force, who can get less done.

Wort: What will be the effect on security?
Sanchez: There will be some. For example, custodial staff add to the security presence by being around at off hours. We will have to stop providing uniforms, which made custodial personnel identifiable as part of University.
Edwards: Can we hire students as custodians?
Kris: It doesn’t save you anything because if they are doing that work they need to have that classification.
Edwards: Does the Chancellor’s office oversee the large capital projects?
Sanchez: Yes.
Langan: Do you build in an administrative charge for special projects?
Sanchez: Yes.

Next meeting. Next Friday at 9:00 am and possibly every Friday thereafter until June 4.

Meeting adjourned 11:05

Respectfully submitted,
Karina Garbesi, Secretary