CALIFORNIA STATE UNIVERSITY, HAYWARD
Committee on Budget and Resource Allocations

Approved as amended

Minutes of the Meeting of January 30, 2004

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

Absent:
José A. López

Guests:
Pablo Arreola, Sam Basu, Bob Brauer, Stanley Clark, Tom Heard, Myoung-ja Lee Kwon, Michael Leung, Frank Martino, Laurie Price, Norma Rees, Hank Reichman, Alden Reimonenq

Meeting convened 9:00 am.

Agenda approved.

Minutes, unavailable from previous meeting.

Report of Dean Reimonenq, Arts Letters and Social Sciences

HANDOUT: Calculating ALSS Budget for 2003-04
Reimonenq: Thanks Martino for his help over the past year. Pablo Arreola will give the budget history, as Reimonenq has been here for only 7 months.

Arreola: Historically, department allocations were based on WTUs (number of courses). During the period of 97 – 99, an Interim Dean ‘got bad advice’ for handing the budget. Very little, if any documentation was produced on the budget. Their were multiple associate deans at the time, not one of whom was assigned to handle the budget. Ultimately the college was found to be $580 – $680k over budget. The Provost required that money be paid back (took three years). The dean and associate dean began focusing more on budget and switched to dollar-based budgeting. (Arreola was the associate dean at the time.) At time the college hired a budget analysis who was technology savy, and started figuring out previous budgets, and to plan for future budgets. In addition, they set the goal (not yet achieved) of developing an enrollment driven budget-allocation system. This could not be achieved because of need to pay off debts and make general cuts. In AY 02/03 the college had another interim dean, David Larson, who implemented a policy of openness (???—in decision-making, information sharing, or both). Cuts make during that period were largely across the board, with some ‘tweaking’ (i.e., non-proportionality) to protect certain programs, including some high FTE producers.
Remonenq: The first page summarizes the colleges total 03/04 budget and the steps used to determine the lecturer pool dollars. Step 1 calculates the ‘net allocation’ starting with the base allocation from the Provost, adding in banked funds, anticipated supplementals (which are highly variable), and money from concurrent enrollment, and subtracting out debt payments (money owed to Academic Affairs). Step 2 calculates fixed costs (salaries of tenure track faculty and permanent staff). Step 3 calculates the discretionary funds by subtracting the fixed costs from the net allocation. Step 4 determines the operating costs (supplies and services, MPP salaries, and information technology services (ITS)). ITS excludes salaries and BATTS monies. The ITS value was the low-end recommended value based on the strategic planning document recommendation produced by Associate Dean Young. Step 5 determines the money available for the lecturer pool by subtracting operating costs from the total discretionary funds.

- The second worksheet (Projected Budget for 2003-2004) shows the departmental allocations, and the last columns show the fractional allocations to the departments and the fraction of the total allocations that go to instruction. For the college as a whole, 81.9% of the budget goes directly to instruction. • The Pool Allocation Worksheet shows how the AY03/04 cuts were distributed among departments, quasi proportionately. Reimonenq indicates that he ‘will not do across the board cuts any longer; they cannot be sustained’.

Arreola: In determining departmental cuts, the dean’s office considered FTE, SFR and unfilled student seats. (The latter compare number of students in classes to teh potential number if all sections were filled.) These numbers are used advisorially, not as absolutes, and not with a formula. Clearly, there are a lot of unfilled seats.

Rees: What if departments are undergoing accreditation review. Who pays the costs?

Reimonenq: It comes out of the dean’s pool, both assigned time and other costs.

Reimonenq: Continuing the explanation of the handouts... The Lecturer Pool Allocation Worksheet shows the extent to which the cuts were disproportionate across departments. To preserve programs, some departments were spared cuts. • The Worksheet also shows the revised (post-cut) pool allocations (col. 5) and what was left of the revised allocation after summer 03 (col. 7, ‘Left for AY’). The penultimate column shows the salary costs of 3-yr entitled lecturers. The final column subtracts out the entitled lecturers salaries from what was ‘Left for AY’, revealing the departments discretionary funds to pay non-entitled lecturers during the fall, winter, and spring quarters. This information was shared with all chairs.

Elinor: Referring to the ‘un-filled student seats’ calculation... If a class exceeds the cap is the department credited for classes that go above the cap as well as being debited for those that go below?

Reimonenq: Yes. Also understand that no departments have yet been penalized based on these numbers.

Reichman: Reichman raised capacity to 50 of a course he teaches, which was always over-enrolled at 35 as a means to service more students. If the un-filled seats metric were incorporated in a funding formula, History would be penalized for having done so.

Norton: This would be a problem for Statistics also.

Langan: Do we need to readjust caps?
Reimonenq: If departments had a target for which there are benefits for making and penalties for not making, it might correct some of the problems (with un-filled seats?).

Reichman: There is a danger in adjusting caps for budgeting purposes. Caps used in funding calculations should be based on mode of instruction.

Reimonenq: The goal was primarily to show departments that there are places for students.

Sawyer: COBRA learned much from the Provost’s description of SFR-based allocations. This is describing the College’s approach to going from SFR to allocations.

Reimonenq: Yes, something like this needs to be used in developing a formula, which is the intention of the college.

Basu: The capacity issue (i.e., unfilled seats issue) is complex. It is a tool to manage a very complex, multi-dimensional problem, and it is one of the few tools available, but it is very limited. Student demand shifts significantly for one area to another over time. But, classroom infrastructure (labs, smart classroom) restricts flexibility in responding.

Sawyer: Has ALSS discusses what kinds of courses are being offered by departments (e.g., GE) and how that should affect decisions on cuts?

Arreola: The College solicited info from departments on the nature of their courses before allocating cuts. In general, the chairs did not give this information.

Reimonenq: The College has not had a formal discussion on this issue.

Martino: Martino calculated the savings that would result from the 660 student reduction (CSUH’s share of the overall 5% cut). This yields a potential $100,000 savings, which does not remotely correspond to the actual cuts we are receiving.

Rees: Because we have such a high proportion of graduate students, if the fee increases goes through, we will be somewhat better buffered than other campuses. On the other hand, if the deficit bond does not pass, the expected cuts will be much higher.

Martino: If SFR does not change, we cannot meet overall budget target or enrollment target.

Rees: If we fall 1% below the student population target, we will loose funding. So, if SFR does not increase we will loose money.

Martino: If we took the 8.3% cut in just the lecturer level, we would lose well over 2000 FTES, if nothing else changed. (I.e., if FTES taught by T/TT faculty does not increase.) It will be enormously difficult to absorb this increase in SFR with the tenured faculty given the culture of the campus and the university, but it can be done.

Levine: There are statewide SFR targets for campuses. But there are a lot of ways for campuses to reduce costs. Reducing the costs of faculty teaching students is only one way to make the cuts. Is this committee considering other places to make cuts? (Levine acknowledges her limited knowledge of prior COBRA discussions because of having been on leave.)

Martino: Almost all cuts to date have been taken elsewhere (i.e., in non-instructional units). Those units are again facing cuts. Some simply cannot bear more cuts.

Langan: To Levine... Certainly COBRA’s task is to look at the entire budget, not just instruction.
Martino: The major driver of our enrollment is the number of sections we offer. Our enrollment dropped 3% this year because of the number of sections dropped. These were a drop in the bucket compared to what we will have to cut next year. Whether we admit students or not is not a significant factor to actual FTES.

Rees: At the same time we will have to figure out how to graduate students.

Sawyer: How many 3-year entitled lecturer faculty are there in ALSS?

Reimonenq: We have 28 FTE entitled lectures in (????) cohort. The third year of the entitlement determines if it continues for the subsequent three years. So we may not be seeing the same FTES entitlements in the future.

Langan: Will we continue new entitlements into the future?

Clark: That depends on the nature of future bargaining agreements.

Langan: Might it be wise to admit more students next year than this, even though the target is going down (i.e., to ensure we actually get enough).

Rees: If they come and they can’t get the classes that they need, you don’t have them anyway, and you have also poisoned the well. Rees thinks that we need to target admissions carefully and let students know what the reality is. This will require that T/TT faculty teach under more difficult conditions (more night classes, for example). Martino estimated in the past that among the lecturers the average SFR is 27/1, among tenured faculty 17/1, among FERPers it is 7/1.

Langan: To Reimonenq... You mentioned putting departments on a formula with SFR targets. How do you plan on developing that?

Reimonenq: It is not clear that a time of budget cuts is the best time to do this, but it might be. Reimonenq will convene a taskforce to guide him through the process. It will then be brought to the COC.

Garbesi: Dean Towner described the process by which she involved her chairs in decision-making on budget cuts including the provision of detailed budget data made available to chairs for that purpose. Decision-making appeared consensus-based. To Reimonenq: How do you involve faculty in the budget decision-making process?

Reimonenq: The process in ALSS is in its infancy. Chairs have expressed their support of the open budget process. Budget is discussed at every COC meeting. This will continue.

Langan: The process has been made more difficult because of very high turnover of deans and chairs.

Reimonenq: The size of ALSS makes consensus-based decision-making much more difficult than in CEAS, which has only 5 chairs.

Reimonenq, Arreola, and many others depart.

**Discussion of COBRAS’s budget review process**

Langan: The Layoff Committee has requested advice on non-academic programs or services that could be cut. We accepted this task. We have been proceeding systematically in the process of informing ourselves about the budget process and the activities of the various units. Accepting the Layoff Committee’s request may mean that we need to speed up the process or switch gears for a while.
Garbesi: From Dean Reimonenq’s previous statement (no more across the board cuts), it appears that at least some academic units may already be moving toward elimination of programs. Given what we have seen of the budget and the size of the cuts, it appears unlikely that those cuts could be accommodated only through cuts in non-instructional units. If such decisions are being pondered now, perhaps we ought to be involving ourselves in that dialog, as well as the narrower purview of the Layoff Committees request (cuts in non-instructional services). To do so is consistent with COBRA’s charge.

Martino: How many cost centers are here at CSUH? Maybe 30? If you want to contribute meaningful input, you need to understand the entire university budget.

Reichman: COBRA must involve itself in the more difficult decisions of what to cut, otherwise it will have no voice it what is ultimately cut.

Rees: At Rees’ request, all of the units are already trying to develop their own approach to making cuts. If this committee says that instruction should have smaller cuts, others must have larger cuts. Note that neither this committee, nor the layoff committee, will do, or are doing, the planning. Rees depends on the units heads all of the time to do so. If COBRA and the Layoff Committee Plan to develop their own plans separately, this is a waste of time.

Langan: How would you proceed?

Rees: Does not know how to answer ULC’s request. Would be most useful for this body to continue what it has been doing as rapidly as possible. COBRA needs to look at the non-general fund budget too. Start looking at the other units in academic affairs, then student affair, business affairs, etc., so that by the end of the year the committee understands the whole picture. By that time Rees will have the VP’s early assessments on what it will take to do the requested cuts. Rees has thought deeply about how the Layoff Committee could best do its work. Their task is to consider how to limit impacts on instruction. She has suggested that they share information with the deans on how to make maximum use of every instructional dollar. For everyone to try to do everything all at once will be unproductive.

Norton: Clark has made it clear that the Layoff Committee does have time, until the end of the year, before decisions must be made. The final budget will not be known until August.

Rees: It isn’t true that you can wait to make your recommendations until you have a budget in August.

Martino: March 1st is when the Chancellor’s offices must notify the union of the possibility of layoffs among unit three employees, but not necessarily with numbers attached.

Clark: This is supposed to trigger discussions on how to avoid the layoffs.

Rees: Under collective bargaining it is the union that negotiates issues of layoff. It is to our advantage that we are doing this in advance.

The committee agrees informally to continue scheduling its meetings with unit heads.

Next meeting, February 6th and 9:00.
Meeting adjourned: 11:07 am.

Respectfully submitted,
Karina Garbesi, Secretary