CALIFORNIA STATE UNIVERSITY, EAST BAY
COMMITTEE ON BUDGET AND RESOURCE ALLOCATION

Minutes of the Meeting of May 4, 2007 (approved)

Members Present: Dana Edwards, Kris Erway, Karina Garbesi (Chair), Armando Gonzales, Jose Lopez, Nancy Mangold, Saied Motavalli, Sue Opp, James Petrillo,

Members Absent: Steve Ugbah

Visitors: Shawn Bibb, Mark Karplus, Michael Mahoney, Hank Reichman

1. Approval of the Agenda

   Approved with no changes.

2. Approval of the Minutes of 4-6-07

   The Minutes were approved, with corrections.

3. Chair’s Report

   Garbesi brought attention to the draft Year-end Report to the Academic Senate that she had distributed via email to COBRA members. The Senate would like to have COBRA’s final report and recommendations by May 18. However, COBRA needs to wait until after the UPABC meeting on the 25th in order to present a fully-informed report which includes budget recommendations. Garbesi, in consultation with Reichman, has decided to divide the report into two parts: the current Year-end Report based on what budget information is available now, and then a later report which will be informed by the May state budget revise, the President’s report, and other information presented at the UPABC meeting. Garbesi would like COBRA members to comment on the current report before May 18, when it will be forwarded to EXCOM. Reichman will make arrangements for Garbesi to make a presentation at EXCOM. It was decided that since COBRA has not received reports from two Colleges on the effects of the budget cuts this year, this category of information will not be included in the final report.

   Bibb commented that the characterization of the $3.5 M that CSUEB returned to the Chancellor’s Office this year as a “cut” is misleading, as this amount was taken from balance forward funding. Reichman felt that whether this is described as a cut or not is a semantic issue. Bibb stated that the “payback” was from roll-forward funds (banks) and not from the general fund. Garbesi stated that the paybacks (from not meeting FTE targets) historically have been referred
to as cuts in prior years. However, it was agreed that in the Year-end Report the term payback would be utilized.

Garbesi inquired about public posting of the new version of the RBBR (Really Big Budget Report), which is currently not available online. Erway indicated that it will be online soon.

The Academic Senate has reminded Garbesi that the annual election for members and officers of Senate Committees needs to be completed by the end of May. A special COBRA organizational meeting will take place from 8:45-9:00 am on May 18, just prior to the regularly scheduled COBRA meeting. New members will be asked to attend. Current faculty members on COBRA who are continuing next year are Garbesi, Lopez, Opp, and Ugbah.

4. Shawn Bibb, CFO, VP Administration and Finance

Bibb began discussion of CSUEB’s outstanding debts by discussing the new faculty contract and other employee group compensation obligations. There will be an obligation over the amount provided by the Compact of about $3.5M in additional compensation for all employee groups over the next three years, which the University will try to fund through growth projections.

Bibb reported on other current and previous debt obligations. The lights that were installed at the stadium are now paid for. There are two years left on Golden Handshake obligations, at $426K per year, including interest. However, the University will try to make a total payoff next year of $804,000 for this obligation. The PACBell telephone switch is being paid off now. There is a $3.2M payoff balance left for the solar panel installation, and a $180,000 Xerox small copy machine lease. The $33M campus housing bond will be paid from resident fees over time. The University Union bond of $12.4M will be paid out from student fees over time.

The debt for the student CMS module is currently $3M plus interest. The contract for International House, which ends on August 31, 2008, is a $2.5M obligation. The Department of Continuing and International Education is losing money on this contract. As of Fall Quarter 2008, all students residing on-campus will be housed at the Student Residence Halls. The operating lease for the Oakland Center, which runs until September 2011, stands at $2.7M. Garbesi asked if the income from the Center covers the cost. Bibb stated that it almost does. The operating lease for the Cal Teach 14th Street Center, which ends on March 31, 2010, is $106,000.

Bibb stressed the importance of long-term planning for the future, in order to prepare for and cover these types of debt and other potential major events. His department is making rapid progress on developing a better and more easily
understood budget statement for the campus. This should be available by June 30
and training sessions will be available for campus personnel. Erway stated that it
will very intuitive and will require little training.

5. Continuing Business – Finalize Goals

COBRA has completed work in this area for the year.

6. NEW Business

Final Report to the Academic Senate
Garbesi would like to include a summary of Bibb’s report in the Final Report.

Plan for development of budget recommendations
Garbesi asked COBRA members to keep the remaining Fridays of the quarter
available for meetings to finalize recommendations. COBRA will hear
a report from the President on a three-year budget plan at the May 18 meeting,
followed by the UPABC meeting on the 25th. COBRA will complete its Final
Report after these two essential meetings. Erway stated that the expected
payback from CSUEB to the Chancellor’s Office next year will be $1.4M.
Mahoney indicated that it is expected that the structural deficit will be located in
Academic Affairs and in Administration and Finance. Lopez expressed
concern that the Deans will have almost no banked money left next year to
cover these potential cuts.

7. Adjourn

The meeting was adjourned at 10:50 am.

Respectfully submitted,
Dana Edwards, Secretary