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

Approved Minutes of the Meeting of January 16, 2009

Members Present: Jeanette Bicais, Dennis Chester, Kris Erway, Judith Faust, Armando Gonzales, Nancy Mangold, Sue Opp, Ke Zou

Members Absent: Janet Logan, Eric Suess, Steve Ugbah.

Guests: Don Sawyer

1. Approval of Agenda M/S/P
2. Approval of the minutes of the last meeting, Nov. 21, 2008 M/S/P
3. Report of the Chair
   Chair reported that she still has not heard back from David Cain regarding her invitation to speak to COBRA, and that she has not yet invited Debby De Angelis of Athletics to present to COBRA.
   Opp said she will look into changing our meetings to LI 2250, in an attempt to work more electronically, use less paper.
   COBRA meeting dates may change. The next COBRA meeting is scheduled for Feb. 6, but UPABC may need that date instead of the Jan. 30 date mentioned in Provost Mahoney’s email this week. If UPABC seeks to meet on Feb. 6, we may need to hold Jan. 30 open for our next meeting.
   Armando Gonzales indicated a newer figure of 19.7% as the projected percent to be cut from non-instructional Academic Affairs.
5. Old Business - none
6. New Business
   a. Chair Opp went over the 2009-10 Base Budget Alternatives for Discussion spreadsheet handed out at the UPABC meeting, Friday, Jan. 9, 2009 for those members who did not attend. It was emphasized that if campuses increase enrollment up to 2% over our target, we get to keep student fee revenues. If enrollment goes over 2% above target, the Chancellor’s Office has indicated fee revenues for the portion of enrollment over 2% will be taken away from the campus.
   Chair Opp pointed out that the 2009-2010 projection starting figure of $156,170,000 (for the 2008-2009 year) is reduced by the variety of items in rows B3-B8, including one-time allocations for 2008-2009, the CSUEB structural deficit of $4.2 million, unfunded UPD costs resulting from splitting off the parking enforcement, as well as reductions from the governor’s budget and permanent cuts.
   The resultant $144.2 million is the new anticipated base for the year beginning July 1, 2009. Using the chancellor’s website figure of $3426 as the marginal cost to educate one FTE student for one calendar year and noting that individual campuses vary from that marginal cost, our marginal cost, based on the 06-07 fiscal year, was 89.7% of that marginal cost, or equal to an estimated cost of $3074.50 per FTE student. With our university enrollment target being 12,230 CYFTES for the four
colleges, this equates to an estimated direct instructional salary cost of $37,601,093 for the four colleges. This amount would be protected from further cuts, as part of the President’s commitment to protect direct instructional costs. However, this figure does not include direct instructional cost for Library classes or GS classes. COBRA members felt these direct instructional costs should also be protected – whether or not “that total is a small amount,” as mentioned at the meeting; if we say we are protecting direct instruction, they should be itemized as protected in this spreadsheet.

The $37,601,093 also does not include faculty, staff and management benefits (which are protected on line B13, along with other University-wide costs, including the President’s office, energy, risk management and insurance costs), and all the instruction-related support such as Faculty Development, Online & Hybrid Support Center, Research and Sponsored Programs, SCAA, APGS, colleges and department staff, etc. – to say nothing of the University Library, not explicitly mentioned on the spreadsheet.

It was also pointed out that since the 06-07 data is what is being used to come up with the marginal cost information, this puts us in the position of “protecting” instruction based on levels of tenure-track faculty before the recent two years of tenure-track faculty increases. This not only estimates a lower instructional cost than is perhaps realistic (plus allied benefits), it also fails to account for all the support necessary for faculty and instruction. There was also some concern that projected costs of benefits may be lower than they should be.

It was noted that the average percent reduction for the non-instructionally related five divisions (Admin & Finance, ITS, PEM, Student Affairs, and University Advancement) was 15%, versus the 19% cut expected from all Academic Affairs other than direct instruction. COBRA needs to look more closely what those divisional cuts entail to fully appreciate effects on the university as a whole.

It was mentioned what a nearly 20% cut to the Library, normally thought of as the heart of a university, would mean to the University – no book purchases at all would only cover 1/6th of the reduction. Databases are the largest Library expenditures now, and cutting many databases would mean an enormous loss of research capabilities, primarily for students, but also for faculty. Such cuts would be most detrimental for students taking online classes - this at a time when we are already growing our online programs and contemplating further online class growth.

It was noted that the percentages in column G in lines 27-32 in several cases seem to vary in their meaning and application. The reduction of $3,172,053 at F32 is called a 5.8% reduction to Academic Affairs, but since it comes only from “All Other Academic Affairs” is actually a 19% reduction (in fact, it is a 30% reduction from the foundation level of funding that Academic Affairs indicated was needed to operate in 09-10, a requested amount of $19,382,522), and should not be compared to the entire Academic Affairs total which includes the protected direct instructional salaries in the colleges.

It was asked if the amount in cell 28C ($13,551,907) allocated to “All Other Academic Affairs” was derived by some kind of formula or projected level of funding need, or if it was what was leftover after subtracting direct instructional ($37,601,093), university-wide costs($54,612,000), and the budget allocations to the five divisions ($38,435,000 – which is more than all funds allocated to direct instruction).
It was confirmed that the amount allocated to “All Other Academic Affairs” was essentially what was the remainder of the New Base when all other items were subtracted. It was noted that the appearance of this is that the divisions are “done” determining how much they plan to cut and “Other Academic Affairs” is just going to have to make up the difference. Since this “Other Academic Affairs” area includes the Library, Research and Sponsored Programs, Faculty Development, the Online and Hybrid Support Center, SCAA, Academic Programs and Graduate Studies (University catalog, GE, curriculum and policies, testing, and much more), and all colleges’ non-instructional staff, COBRA members felt strongly that does not seem tenable nor a reasonable approach to budgeting for Academic Affairs. For clarification, it was pointed out that the budget figures here include only General Funds and does not include Open University or other funds which we hope to include in the Academic Affairs budget later. Furthermore, the planned 09-10 budget is still subject to recalculation in response to changing needs.

Questions were raised about why there are so many cuts in instruction right now, if this year’s budget has already been taken care of – one answer was that departments/colleges want to save money for what promises to be a much worse year next year. This year’s budget gap is being bridged using trust and other carryover funds that will not be available next year.

b. Discussion of President’s proposal to capitalize on online courses and programs to improve the future budget outlook for CSUEB.

Chair Opp summarized the President’s talk with COBRA on Friday, January 9, 2009. At that time, the President revealed that at a recent meeting of the Chancellor and Board of Trustees the only CSU example brought up of successfully moving to more online teaching was CSUEB. On average, only 1% of all classes in the CSU are taught online. At CSUEB the average was, until recently, 2%. This year in the Fall Quarter, our online courses jumped to 9%, with 13% projected for Winter Quarter. The President is considering going to the Chancellor to ask for extra funding for any increases in enrollment stemming from online instruction. One example of how this would work successfully is that next summer, most campuses will have to cut summer programs drastically, and we could take up the slack in that area. Veterans are also a major target – in general, but also for online classes. Opp said this is an opportunity for COBRA to look at the potential resource implications, both positive and negative. One thing to consider is the possible loss of many Library databases and periodicals. She said that this was likely something that the Senate will want us to look into, specifically what resources could be brought in, and what resources would be required to increase dramatically our online class percentages.

Respectfully Submitted,

Judith Faust
Secretary