Present: Ken Fulgham, Saeed Mortazavi, Judith Little, Greg Crawford, TK Koesterer, Wayne Perryman, Laurie Sheppard, Susie Dodson, Nancy Kelly, Carol Terry, Karen Earls, Lori Rudebock.

Absent: Rick Vrem, Christopher Thompson, Carl Coffey, Steve Butler, Diana Campos, Randi Darnall-Burke, Burt Nordstrom, Labor Council Representative.

Rather than reviewing all of the proposals from the divisional presentations, it was suggested that the meeting focus on developing a methodology for review and decision-making.

A suggestion was made to set some ground rules, for example: no new hiring unless the position is directly related to a set goal/priority (i.e., a campus-wide freeze on all hiring unless it is related to a strategic plan goal or a budget request that has been given high priority.

Q: Which version of the Strategic Plan are we referring to?

The President identified goals that are important to him; most of those goals are cited in the Strategic Plan.

Q: What are our critical guidelines for ranking proposals?

They can be boiled down to:
- Enrollment related
- University Advancement related
- Strategic Plan and University Mission
- Health and Safety
- Diversity
- Mandatory

Some initiatives that are not optional, include CMS, WASC, Summer Session.

An updated Decision Package Summary for FY 2005-2006, based on divisional presentations, was provided by Carol.

It was suggested that under Academic Affairs, “Graduate Student Recruiting” and Marketing Faculty Position” be crossed off the list.

Questions: Are we taking a “use it or lose it” approach? Is rolling forward unspent balances for specific requests appropriate? Should these be considered
new proposals? Should it be automatically reconsidered for the next fiscal year if it is not spent this fiscal year?

A: It has not been decided how to handle this situation. It seems natural to question each case and either recommend to roll forward or to not roll forward.

Q: Is there a general philosophy that if it is not spent, it automatically rolls forward?

It was noted that in the case of the “Graduate Student Recruiting” funds, the money was not received in time to be spent. It was a matter of timing, rather than a choice of whether or not the funds be spent.

Similar concern was expressed about the money that was set aside FY 04/05 for “University Police Officer” that was not spent, because matching grant funds were not available. There was an attempt to use this as leverage in the divisional presentation.

We should have a policy on how to handle this.

Bottom line … put it on the new list if it is still a priority.

Q: If the money rolls forward, must it be spent on “Graduate Student Recruiting” or can it be spent on something else?

A: Roll forward is allowed if it is identified for or encumbered for a specific purpose.

This Committee has instituted an accountability process for money allocated out of the central reserve. How do we measure how it is used or not use appropriately? What should the Committee do? Roll forward and use funds for the intended purpose? The Committee should discuss how to handle this. A possibility is to recommend that unspent funds for initiatives be rolled forward to the central fund, or to the contingency reserve. There are many ways to address this.

Ideas to consider:

- Priorities change and UBC needs to be responsible for allocating resources the best way possible
- There is always a challenge with timing and disbursement/receipt of funds
- May need to make some decisions on a case by case basis, i.e., in a case when funds are allocated too late in the year to be spent; it seems unfair to take them away
Failed searches have to be re-submitted and started over again from square one. Based on this policy, maybe all monies that are not expended should be put back into the contingency reserve. It would be a way to build the contingency reserve. The President can authorize funding out of the contingency. Similarly, all funding for position vacancies due to retirements reverts to a central fund.

Rather than a policy “use it or lose it” or a policy of automatically roll forward; something in the middle should be proposed. Ask for evidence that funding for an initiative is still needed, and then make a decision.

Suggestion: Roll monies not spent this year into the contingency fund. The UBC recognizes that late notification of receipt of funds is a serious flaw and needs to be addressed, but from a university perspective, there is a need to take a broad look at priorities and recapture unspent funds.

Suggestion: Consider the request(s) as new request(s), rather than automatically roll forward funds.

This (Graduate Student Recruiting) was on this year’s list and was a priority; it seems harsh to be changing the rules at this point.

The list of priorities was developed last year; the list this year is different, reflecting that priorities have changed.

It is a mistake to offer funds this late in the year; priorities may have changed at this point. It all depends on what the money is for; purchasing of equipment, etc. is not time-sensitive; while other activities may be. Timing is a problem and it is a systemic issue.

Last year the UBC created a list of prioritized initiatives that totaled more than the actual funds available. This left items at the bottom of the cull from, with no further opportunity for review by the UBC. Maybe we shouldn’t do that this year.

It is too onerous to ask divisions to prioritize more than once a year.

If we only allocate the funds that are available, will we have to go back and redo the process, or let the University Executive Committee allocate additional funds without the UBC’s input? Accountability is built into the process, regardless of who recommends/allocates the funding.

Note: Whatever we’re deciding today is for the next budget cycle (FY05/06); we’re not changing the rules this cycle.

If we were doing 2 or 3 year budgets, the argument that there would be substantially different priorities would be moot.
Initiatives that were funded at the last minute should be considered this time around, i.e., don’t take money back

Recognize that the need for different timelines for expending dollars varies in different areas

CONSENSUS: Funding allocated on a one-time basis for this year (FY04/05), remain allocated for its intended purpose at the department level and roll forward i.e. “Graduate Student Recruiting”, “University Police Officer”, and “Development”.

Q: What would you like to see next year for how to handle the issue of prioritized items that get funded late and so money is not spent?

It was proposed that the current discussion be shelved and the Committee return to it needs to discuss today: establishing a methodology for making recommendations to the President regarding priorities for funding and recommendations for reallocations.

Q: What do we need to preserve as we reallocate funds?

Given that this is a huge task and we don’t have a fraction of the money needed to fund requests, the Committee needs to identify some ground rules and a framework for decision making. The example given earlier was to freeze hiring unless the position is directly related to one of the top priorities.

Besides the $560,000, there are three other possible sources of money: 1) ca. $6-700,000 from Administrative Affairs, 2) Health Center fee, 3) loan from the CSU for CMS implementation.

It is unfortunate that these possible sources of revenue have been suggested. There will be no savings from the student health fee; it is almost completely self-supported as it is. And it is premature to think that a loan will work for CMS, or that money freed up would be available for a Plan B purpose. The Committee was encouraged not to consider these as viable options for now.

Q: Is CMS a mandatory initiative? A: Yes, though it was noted that there are levels of implementation that are variable.

Q: Is Summer Session mandatory? A: Yes, providing a Summer Session is mandated by the CSU. However, whether or not it is funded and at what level is undetermined.

Funding the CMS related initiatives essentially wipes out all available funds.
Requests in the CMS budget are mostly for positions; not equipment or capital expenditures. Everyone should understand that the current CMS budget is funding positions that are already in place and ongoing. A loan would not be for a one-time expenditure.

The purpose of today’s meeting was to develop a methodology for making these decisions. Are we going to go through the requests and rank them or are we going to establish a methodology for decision making?

Suggestion: Review the list of titles of the requests and look at key words; come up with broad categories (diversity, etc.), and then rank the categories. This would provide a general and broad initial evaluation.

There might be some way to assess the 5.5% reductions after hearing the impacts of reductions at the presentations; for example, if the impact will decrease diversity, then there is a need to preserve that funding.

One way to begin is to review the initiative requests independently of money issue.

The following categories were assigned (see attached spreadsheet):

- Diversity
- Recruitment
- Enrollment
- Retention
- Advancement
- Health and Safety
- Strategic Plan/Mission
- Mandatory.

Agreed to put each request in only one category (even though some overlap) and put all positions under Strategic Plan/Mission.

General Comments:

The CMS Project office has been very underfunded to date; do not want to continue this situation with the implementation of the student module.

Diversity is nice, but we need to “stop the bleeding” and get back on our feet before we invest a lot in diversity.

Building diversity is like the chicken and the egg; which comes first. We know that the Latino population is where we are going to see our principal growth. We can work on diversity issues through the recruitment process.
There has been a lot of diversity training on this campus; often it is the same people who show up for training, and at this point don’t really need more training.

The timing seems wrong in regard to recruiting international students and developing programs. Given problems beyond our control (with visas, borders, etc.) it may not be something we want to put our resources into right now. Especially since it involves much more than just bringing students to campus; an infrastructure needs to be established to support them.

The University is not poised for growth at the point; it is poised for survival. It is hard to consider growing in the next two years.

Considering the issue of international students in terms of cost effectiveness, what is being requested would be paid for by the additional students gained.

Q: Given the task of reallocating $2 million from the proposed 5.5% reductions, do the 5.5% cuts identified in each divisional presentation have to be implemented as presented?

We have worked through the requests without looking at the impacts. The Committee needs to go back and look at the PowerPoint presentations and at the impacts of reductions.

The total of budget reductions at 5.5% is about $4 million dollars. We are only working with $2 million in terms of reallocation.

We need to take money from somewhere to put it into enrollment and academic affairs.

The UBC has input as to the top priorities of the campus, versus a division having its own requests affecting only the division. Need to identify what is important to the University, therefore we are going to have to cut other initiatives that don’t fall into identified priorities.

The Committee did not receive information about previous cuts until after it made its recommendations. It would be helpful to look at previous cuts and impacts. For example, Student Affairs has already absorbed incredible cuts to its budget in the past. The Committee does not have a complete picture of what is happening in the divisions. There is no clear picture of the cumulative impact of past cuts, i.e., what vacant positions are there, etc.

It was difficult to tell from the presentations how division leaders will make the cuts. Different approaches are being taken and it was hard to come away with a good sense of how cuts will be dealt with.
How does the Committee get a handle on how funds are being expended? Are divisions being supported sufficiently to do the jobs they are doing?

It was noted that because of the collective bargaining agreement, layoffs cannot be discussed publicly.

Should we take things off the list that we know we are not going to fund? It would be helpful to have a shorter list to review.

Suggestions:

Recommend funding for important initiatives, up to $2.5 million, and make the University Executive Committee decide on what cuts are to be made.

Come up with a short list, and put the responsibility of making cuts on the division leaders.

Create a relevant short list and let that dictate the cuts.

Would it be worthwhile to have a voting exercise before the next meeting? A first cut elimination?

NEXT MEETING: Friday, April 22, 2-4 p.m., CCR