University Budget Committee Meeting
Meeting Notes
August 4, 2009

In attendance: Provost Bob Snyder, Steve Butler, Burt Nordstrom, John Powell, Colleen Mullery, Saeed Mortazavi, Lynne Sandstrom, Robin Bailie, Randi Darnall-Burke, Han-Sup Han, Brandon Chapin, Carol Terry, Lee Lindsey

Topics of discussion: Provost Snyder organized the meeting to discuss the current budget situation and to give a brief overview of divisional budget reduction strategies

Meeting Handouts (available on UBC website)

- Agenda
- HSU Revenue Projections for Funds Available
- HSU Reduction Scenarios

Current Budget Situation

Due to the economic crisis at the state level, HSU is faced with large budget reductions in 2009-10. The 2009-10 budget has been finalized and to better understand HSU’s current budget situation, Provost Snyder passed out several spreadsheets. Carol Terry walked UBC members through the spreadsheets in an effort to clarify the information and answered questions.

- 2009-10 and 2010-11 Estimated Campus Impacts – This spreadsheet is a projection of revenues, cost increases, and reductions from the Chancellor’s Office for 2009-10 and 2010-11, as of July 23, 2009. The spreadsheet is difficult to understand, especially since base and one-time reductions are included on the same spreadsheet. Based on the spreadsheet, HSU’s reduction is over $10 million in 2009-10 and $5.9 million in 2010-11. Prior to the reductions being allocated, President Richmond made the case to the Chancellor that smaller universities have a harder time reacting to budget cuts and therefore the reductions should not be distributed pro-rata. This helped HSU because the Chancellor reduced HSU’s percentage reduction.

- HSU Revenue Projections for Funds Available – This spreadsheet shows revenue projections and cost increases for 2008-09, 2009-10 and 2010-11, based on specific enrollment assumptions. By 2010-11, HSU must decrease resident enrollments from 7034 to 6612, which is a 6% reduction. Initially, CSU had discussed a 9.5% across the board resident enrollment reduction to all campuses. Again, President Richmond worked with the Chancellor to get the reduction % lowered for the smaller campuses.
Divisional Reduction Strategies

The initial process for reductions was to find reductions on campus that were not division specific, but due to the magnitude of the reductions and the short time in which to implement them, it was very hard to do. For example, eliminating a program is a slow process and cannot be implemented over the summer. The end result was to distribute variable reductions by percentage across the divisions. Provost Snyder emphasized the need to bypass partisan behavior and work together to deal with the reductions.

Provost Snyder distributed a handout, HSU Reduction Scenarios, which displayed the budget reductions by division. University Advancement has a proportionally smaller reduction since HSU plans to grow University Advancement and the additional revenue it generates. The remaining three divisions, Academic Affairs, Student Affairs and Administrative Affairs have reductions equivalent to 10-12% of their budgets. Provost Snyder, Steve Butler and Burt Nordstrom each discussed divisional reduction strategies:

- Academic Affairs - Reductions are a work in progress. The bulk of current year reductions are covered with furlough savings, but Academic Affairs needs base reductions, which are a challenge. Some of the steps being taken include meeting with Department Chairs, reviewing assigned time, cancelling searches, reducing OE and travel, cancelling classes with low enrollments, and increasing the student/faculty ratio. Provost Snyder discussed that budget allocations are based on history, not on the number of students, student/faculty ratio or % of tenure track faculty. San Francisco runs on a model that uses these types of variables to determine funding levels needed to be successful and a model such as San Francisco’s would help us more easily implement reductions. Faculty members in attendance voiced the desire to be included on reduction preparation and implementation.

- Administrative Affairs - Bridging the reduction with furloughs and other one-time funds. Reductions being taken include 4 MPP layoffs, not filling vacancies, and OE reductions, including equipment and travel. Strategy is to maintain infrastructure in order to support the University.

- Student Affairs – Developed a pyramid of prioritized programs, which is used to implement reductions. Furloughs provide one-time savings this year. Programs are being severely reduced in 2009/10. There will be vast program eliminations in 2010/11 with current reduction levels.

The Year Ahead

The State of California is in an emergency situation. Revenues are continuing to not meet projections. There may be another budget cut in January if things continue to get worse. As the year unfolds, HSU will have a better idea of how to implement reductions and may need to rethink the reductions once impacts are being felt.
Provost Snyder expressed the desire to reconvene the UBC early in the fall to discuss the plan and process for the coming year.

Respectfully submitted,

Amber Blakeslee