

**CALIFORNIA POLYTECHNIC STATE UNIVERSITY**  
**San Luis Obispo, California 93407**  
**ACADEMIC SENATE**  
**805.756.1258**

**MINUTES OF**  
**The Academic Senate**  
**Tuesday, April 14, 2009**  
**UU 220, 3:10 to 5:00 p.m.**

- I. Minutes: The minutes of March 3 and March 10, 2009 were approved as presented.
- II. Communications and Announcements: Soares announced that President Baker has acknowledged receipt and approval of the following resolutions: AS-680-09 Resolution to Change Administrative Status for Recreation, Parks, and Tourism Administration Program and AS-681-09 Resolution on Modification to the *Bylaws of the Academic Senate*: Revision to Make the Position of Academic Senate Chair an At-Large Position.

III. Reports:

Regular reports:

- A. Academic Senate Chair: Soares reported that social hours might not continue due to the lack of attendance and funding.
- B. President's Office: none.
- C. Provost: none.
- D. Vice President for Student Affairs: none.
- E. Statewide Senate: Foroohar announced that Barry Pasternack from Fullerton and Harry Riben from East Bay, have been nominated for the Faculty Trustee position on the CSU Board of Trustees. LoCascio reported on speculations from the Board of Trustee on a 10% increase in fees and money from remediation being moved to instruction.
- F. CFA Campus President: Saenz reported that CSU administration is not interested in offering a golden handshake since it affects only a small number of employees and the savings is small.
- G. ASI Representative: Kramer announced that Cal Poly will be sponsoring the statewide meeting of California State Student Association in May.

Special reports:

Dan Howard-Greene, Larry Kelley, and Bob Koob: report on current budget conditions: in 2008-2009, Cal Poly received an \$8.1 million mid-year budget reduction. For 2009-2010, Cal Poly could experience a \$4.1 million deficit; however, Propositions 1C and 1D plus additional federal stimulus funding and college-based fee revenue increases could reduce the deficit to \$3.3 million. PowerPoint presentation is available at [http://www.calpoly.edu/~acadsen/presentations/2008-2009/budget\\_update\\_0409.ppt](http://www.calpoly.edu/~acadsen/presentations/2008-2009/budget_update_0409.ppt)

- IV. Consent Agenda: none.

- V. Business Item(s):
- A. Resolution in Recognition of Shared Governance as an Important Component of Faculty Service (Faculty Affairs Committee): Foroohar presented this resolution which encourages faculty to participate in shared governance, reinstates the value of shared governance in the RPT process, and asks the administration to provide active and material support. Resolution will return as a second reading item.
- VI. Discussion Item(s):
- Vacancies in Academic Senate offices of Chair and Vice Chair for 2009-2010: Soares announced that he will not be continuing as Chair leaving a vacancy in this office next year. He encouraged senators to consider serving in this position.

The meeting was adjourned at 4:43 p.m.

Submitted by

Gladys Gregory  
Academic Senate

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# Operating Budget Update

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Academic Senate

April 2009

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# Operating Budget

- Where we have been...

# Summary of Budget Reductions prior to Governor's Compact Agreement with the CSU (in Millions) – net of fee increases

	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>	<b>3 Year Total</b>
CSU	<b>(\$105.4)</b>	<b>(\$285.3)</b>	<b>(\$131.6)</b>	<b>(\$522.3)</b>
Cal Poly	<b>(\$0.6)</b>	<b>(\$14.9)</b>	<b>(\$7.5)</b>	<b>(\$22.9)</b>

# Review of Compact for Higher Education 2004-05

- Covers six years – 2005/06 through 2010/11
- Adjustments to the base budget:
  - ✓ 3% annual increase for 2005/06 – 2006/07
  - ✓ 4% annual increase for 2007/08 – 2010/11
- An additional 1% annual increase to the base budget for 2008/09 – 2010/11 for equipment, technology, & libraries
- Identifies importance of restoring more competitive salaries for CSU employees
- 2.5% growth per year through 2010 – 8,000 FTES/10,000 Headcount per year for CSU
- No restoration of prior budget reductions

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# Compact for Higher Education--results

- 2005-06: fully funded
- 2006-07: fully funded and State “bought out” the fee increase
- 2007-08: fully funded
- 2008-09: not funded; additional cuts
- 2009-10: not funded; additional cuts
- 2010-11...

# 2008-2009 Cal Poly Operating Budget (in Millions)

■ Compact is not funded	
■ Beginning of the Fiscal Year	\$ (3.0)
■ October one-time budget cut	<u>(1.6)</u>
Total Budget Shortfall	\$ (4.6)
■ Mid-Year Budget Reduction*	<u>(3.5)</u>
Total Reduction 2008-2009	\$ (8.1)

\*In anticipation of CSU reduction



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# Cal Poly Funding this decade

- Cumulative funding shortfalls in excess of \$25M—with no restoration to base funding
- To restore funding back to the level of 1999 the university would need approximately \$322 per full-time student/quarter (not adjusted for inflation)

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# Operating Budget

- Where we are...

# 2009-2010 Budget Changes (in Millions)

	<u>CSU</u>	<u>Cal Poly</u>
□ 10% Fee Revenue Increase	\$ 79.3	\$ 3.8
□ <b>Special Session Reductions</b>	(66.3)	(3.4)
□ BSN Nursing Program Increase	4.7	-----
□ Mandatory Costs	(33.5)	(1.8)
□ Health, New Space, Energy, Fin Aid		
□ Line-item veto (one time vs. base)	(255.0)	(14.8)
□ Backfill one-time funding	255.0	14.8
□ Reduction re Fed Stimulus money	<u>(50.0)</u>	<u>(2.7)</u>
Total Surplus/(Deficit)	\$ (65.8)	\$ (4.1)
□ <i>Additional Federal Stimulus (est.)</i>	<u>13.5</u>	<u>.8</u>
Total Surplus/(Deficit)	\$ (52.3)	\$ (3.3)
□ <b>2008-09 Mid-Year Reduction</b>		<u>3.5</u>
Cal Poly Adjusted Surplus/(Deficit)		\$ .2

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# Operating Budget

- Where we might be...

# Other Possible 2009-10 Budget Impacts

- State's \$8 billion estimated shortfall - CSU's share is estimated at \$174.8 million
  - *Cal Poly's share might be about \$10.1 million.*
- Passage of Proposition 1C - 2009-2010 budget relies on \$5 billion in borrowing from future Lottery profits
  - *Cal Poly's share might be about \$6.5 million*
- Passage of Proposition 1D and 1E - Up to \$800 million in General Fund savings
  - *Cal Poly's share might be about \$1 million*

# Other Possible 2009-10 Budget Impacts

(cont.)

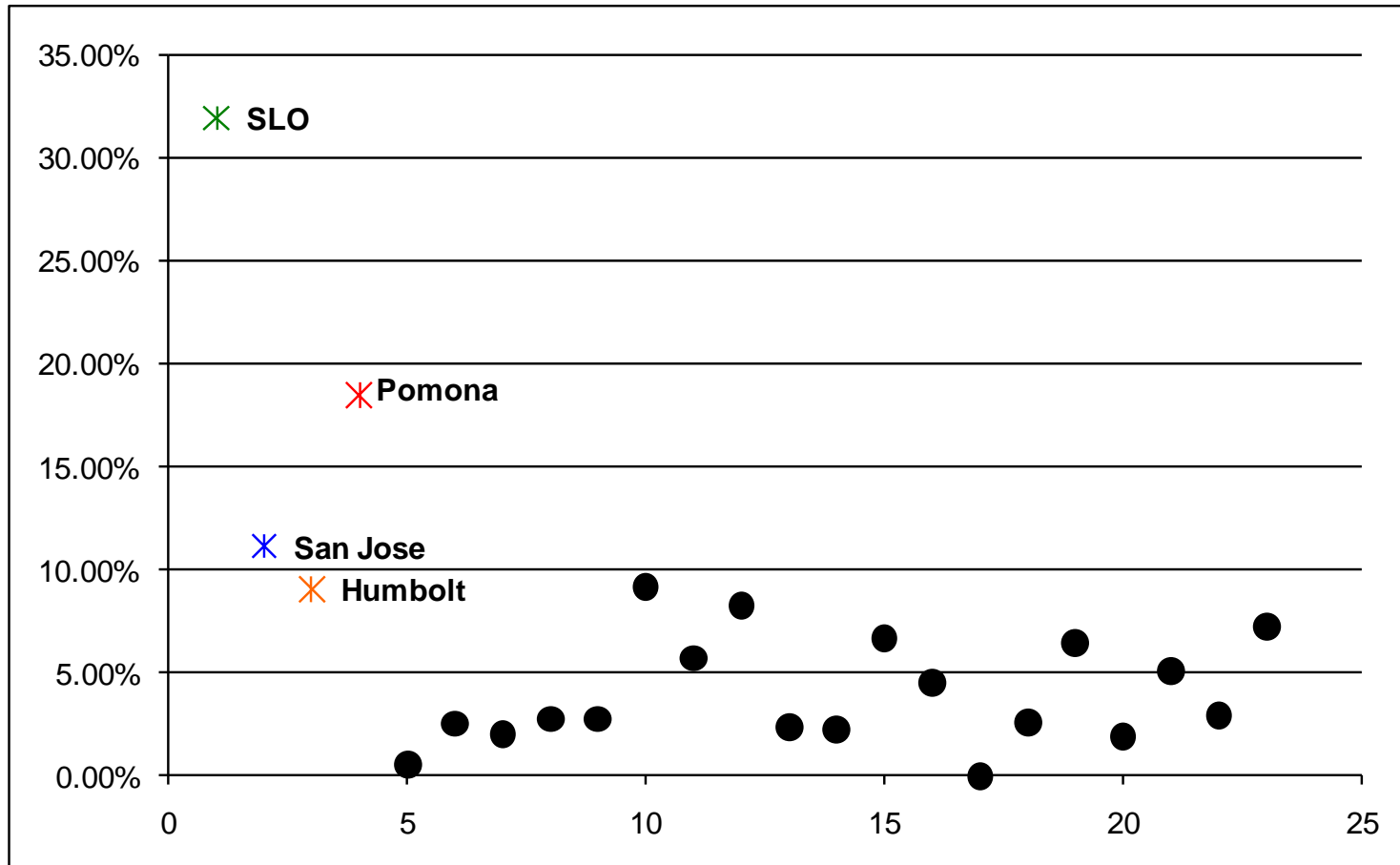
- Possible additional Federal Stimulus funding for higher education—unknown but for each \$1 billion, *Cal Poly's share might be about \$1.3 million*
- Possible additional increase in SUF—unknown but for each 1%, Cal Poly's share is estimated at \$380,000
- Cal Poly College-Based Fee revenue increase—first year: \$6.9 million; \$20.5 million beginning in the third year

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# Why College-Based Fee is Important

- Increase in demand as demonstrated by numbers of applicants and enrolled students in high cost programs.
- Learn-by-doing, project-based approach is our identity and needs to be preserved.
- Our programs are taught primarily by full-time faculty unlike other CSU campuses.
- One in three SCUs are offered in high cost programs.

# Percentage of High Cost Program SCU's to Campus Total – 2006-07





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# Why College-Based Fee is Important

- Our graduation rates lead the CSU system.
- There is strong demand from employers for our graduates– demonstrated success in industry.
- Maintain a tradition of quality.
- Important to California’s workforce development and overall economy.
- Increase in course availability.
- Decrease in time to graduation.
- Increase in access for new students.
- Decrease in total cost for students.

# Budget Concerns

- Funding Shortfall—known and contingent
- Delay in Capital Funding
- Structural deficit in the State budget
- Continued weak economy
- Decrease in Cal Poly-ready high school students
- Funding mechanism is the same for all CSU campuses without consideration of such things as:
  - Faculty and staff salaries vs. cost of living by region
  - Existing salary gaps
  - Class level of student population
  - Intensive use of facilities
  - Age of facilities
  - Maintenance of roads and acreage
  - Funding special initiatives
  - Cost of teaching different academic programs

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# Operating Budget Update

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Academic Senate

April 2009