

SAN JOSÉ STATE UNIVERSITY
Budget Advisory Committee**Tower Hall 110**
12:00 – 2:30

MINUTES
June 27, 2001**I. The meeting was called to order at 2:05 p.m. and attendance was noted. Eight members were present.**

Present: Brent, Goodman, Kassing, Manning, Martinez, Nuger, Peter, Stacks
Absent: Caret, Donoho, Rascoe, Rickford, Thames

II. Introductions

The chair requested that everyone introduce themselves. Linda Valenty, Chair of the Lottery Committee, and AVP Dewitz were asked to attend the meeting to give a brief report and answer questions.

III. Explanation of Budget Advisory Committee

The chair explained the new charge of the Budget Advisory Committee. He explained what the Lottery Committee's purpose was and what the new functions of the Budget Advisory Committee are.

IV. Lottery Funds

The chair discussed the freeze that the 2000/2001 Budget Advisory Committee placed on lottery funds due to the energy crisis. He asked the Committee to review the proposals approved by the 2000/2001 Lottery Committee for the next meeting to decide how the committee would proceed. Chair Brent then requested that Professor Valenty give her report. Professor Valenty reported that since the Chancellor allocated extra funds for lottery this year, they had to determine how to distribute those funds. They created a new submission form with a deadline.

AVP Dewitz stated that the CSU eliminated earmarked funds. All but five thousand dollars is discretionary. She also stated that the Lottery Committee discussed how to open to the campus \$700,000 in extra allocations. There was no procedure in place because it was done differently this year versus previous years.

Professor Valenty noted that by looking through the minutes from the Lottery Committee, the Budget Advisory Committee would be able to see why the proposals were fully funded or partially funded.

Professor Valenty then asked for questions.

Chair Brent raised the question as to whether the Budget Advisory Committee should review all Lottery Committee proposals or only those for which funding was recommended.

Provost Goodman stated if they decide to fund the lottery proposals at the 80% level, this would be more funds than they had received in previous years.

Professor Valenty noted that most proposals funded this year have not been funded in the past. The Lottery Committee tries to find new one-time projects each year.

Senator Nuger raised a question as to whether some Lottery Committee proposals are scalable.

Professor Valenty said in some cases it is easy to scale back the costs of the proposal due to:

- The proposal does not meet guidelines and is therefore an inappropriate request for funds.
- The proposal has inflated costs.

Senator Peter asked what proposals are considered appropriate/inappropriate for funding.

Professor Valenty stated that the Guidelines for Expenditures state what is considered appropriate. She said that she had referred to guideline number eight quite often throughout the process.

Senator Nuger asked a question about how strictly tied to the Guidelines for Expenditures the lottery proposals are, especially those proposals that boost student enrollment.

Professor Valenty said that the Lottery Committee felt such proposals could be loosely applied to the Guidelines because recruitment would help students by increasing enrollment dollars flowing to the university. She stated that lottery funds have been used to support recruitment and retention for a long time.

Senator Stacks asked what proposals and how many proposals were there that received earmarked funds on a yearly basis that now needed to request lottery funds and compete with other proposals.

Professor Valenty stated that the Faculty Mentor and all the Student Outreach and Recruitment proposals had been earmarked in the past. Senator Peter stated he did not believe the Lottery Committee should make long-term commitments. Professor Valenty said the Lottery Committee agreed with this position.

At that time Professor Valenty left the meeting and discussion continued between the Budget Advisory Committee and AVP Dewitz.

AVP Dewitz informed the Budget Advisory Committee that the Lottery Committee decided to reserve \$345,000 to the rollover fund this year. She continued to state that there should be \$90,000 in the fund from previous years. These are considered lottery replacement funds if there is no funding in future years. Lottery funds may also be used to supplement the 2.5 million or 4% cut in departments' funding.

Senator Peter stated that he guidelines for CSU lottery funds must supplement not supplant the budget. Provost Goodman replied that the intent was not to cover a budget shortfall and that if lottery money is withheld, it will only be spent on instruction-related items for which lottery money can legitimately be spent. As an example, he said that if a dean were required to cut sections of courses due to a budget shortfall, lottery money could be used to ensure that these sections would be offered.

VP Kassing estimated we are seven or eight million dollars in the red and we need to wait to see what will happen with the budget. He is not sure how the campus will fare with next year's budget.

VP Redding said they have been fighting for the last three days to make sure that cuts do not come out of the CSU budget. They have been trying to hold on to every dollar. There are many

new initiatives being proposed.

AVP Dewitz said that there has been precedent for using lottery funds this way during the early 90's budget shortfall.

Senator Stacks asked if the Lottery Committee has looked at the overlap or pooled resources and ideas related to funding recruitment and retention.

AVP Dewitz said yes the Lottery Committee looked at that very closely.

Chair Brent then asked about why the Multicultural Center proposal had been funded for less than one-half the requested amount.

AVP Dewitz stated this is because they inflated the price of what technology items were needed. The Lottery Committee felt that Mosaic would be able to buy what they needed with the money received.

AVP Dewitz noted that on the submission form an area for assessment of projects was requested. This way the Budget Advisory Committee would be able to see how the money was spent and how well the program did overall. It was decided by the Lottery Committee that the submission form should be sent out in the fall and the deadline would be around November.

Chair Brent stated the call for lottery proposals for Professional Development are usually sent out at the end of the spring semester. Since this year it was not, the Budget Advisory Committee needs to decide on the deadlines at its next meeting for the Professional Development program so applications can be sent out via email and intercampus mail as soon as possible.

The Budget Advisory Committee decided on September 7, 2001 as the date for the Budget Advisory Retreat from 10:00 a.m. to 4:00 p.m.

V. Kassing Update

VP Kassing gave a confidential update regarding the budget. As soon as more information is available from the Chancellor's office regarding the budget, he will give the Budget Advisory Committee an official budget report for 2001-2002.

VI. Recommendations

The Budget Advisory Committee decided against reviewing proposals that were not approved by the Lottery Committee. The BAC agreed to a process for reviewing the proposals. By July 4, BAC members agreed to send an email to the chair indicating their answers to two questions. First, BAC members were asked to indicate whether they favored recommending that all lottery proposals be funded at 100%, or whether they recommend reducing lottery allocations by some amount. Second, members were asked to classify all 20 lottery proposals into one of three categories: a) proposals that should be fully funded b) proposals that should be funded, but at a reduced amount, and c) proposals that could be cut altogether. The chair said that he would review the emails on July 5 and, based on the responses, would write a sense of the BAC resolution to serve as the basis for debate at the July 9 meeting.

VII. Meeting adjourned at 4:15 p.m.

