

**2004/2005 Academic Senate**

**MINUTES  
December 6, 2004**

**I. The meeting was called to order at 2:00 p.m. and attendance was taken. Forty-three Senators were present.**

**Ex Officio:**

Present: Nellen, Van Selst, Kassing  
Sabalius, Greathouse, McNeil

**CASA Representatives:**

Present: David, Fee, Gonzales, Hooper

**Administrative Representatives:**

Present: Sigler, Ashton, Phillips, Lee

**COB Representatives:**

Present: Campsey, El-Shaieb, Donoho

**Deans:**

Present: Breivik, Wei, Stacks  
Absent: Meyers

**ED Represent:**

Present: Parsons, Maldonado-Colon, Lessow-Hurley

**Students:**

Present: Lam, Stillman,  
Nguyen, Bjerkek  
Absent: Gadamsetty, Kelly

**ENG Representatives:**

Present: Singh  
Absent: Pour, Choo

**Alumni Representative:**

Absent: Guerra

**H&A Representatives:**

Present: Van Hooff, Williams,  
Heisch, Hilliard  
Absent: Vanniarajan, Desalvo

**Emeritus Representative:**

Present: Buzanski

**SCI Representatives:**

Present: Veregge, Bros, Branz, McClory  
Absent: Kellum

**Honorary Senators (Non-Voting):**

Present: Norton

**SOS Representatives:**

Present: Propas, Hebert  
Absent: Von Till

**General Unit Representatives:**

Present: Thames, Matoush  
Absent: Yi

**SW Representative:**

Present: Wilson

**II. Approval of Academic Senate Minutes –**

The Senate minutes of November 22, 2004, were approved as is.

**III. Communications and Questions –**

**A. From the Chair of the Senate:**

Chair Nellen said, “Welcome, it is our last meeting of the Fall 2004 semester. We have a very full agenda today. Hopefully, we will have time to look at the Library books and have cake. First, let’s have a reading culture check in. Does anyone have any news to report or any activities in their college to help support a culture of reading at San José State University (SJSU)? Please think about some activities you could be doing to help support a

culture of reading in your departments. I have given you a booklet that includes a list of interesting readings from SJSU's history that ties into our 150<sup>th</sup> Anniversary celebration in 2007."

Chair Nellen said, "I extended an invitation to all 20 of our new faculty this year, to come visit the Senate at any time that they could. So far, only one faculty member has taken me up on this. Please welcome Jill Cody. Many of you know her because she has facilitated meetings here. Professor Cody is also the new Chair of Recreation and Leisure Studies. Professor Cody is a SJSU alum from the Department of Recreation and Leisure Studies as well."

Chair Nellen said, We have an interesting agenda today. Our first resolution is a modification to a resolution we passed in May 2004. We also have about three resolutions that update the name and/or charge of some of our existing committees. In addition, we will be moving forward on the next stage of strategic planning. This will start moving us toward formulating specific goals and initiatives both long term and short term through the councils proposed to be established in AS 1268. This effort has been around for quite some time, probably starting with the initial WASC process that involved Bethany Shifflett, Lee Dorosz, Pam Stacks, Miki Donoho, James Brent, and a few others. One thing we identified that we could do better was planning. We discussed strategic planning at our retreat, where we heard from two of our sister institutions on how they did strategic planning. I'm pleased today that we are moving from talking about strategic planning to getting a process in place. This is what AS 1268 is about. This resolution should help us be a better institution, help us better identify what we want to do, and help us determine what our priorities are."

Chair Nellen said, "If any of you are unsure whether we really need to be doing this, let me give you an example. How many of you remember the AIM Task Force Report? The report talked about the need to reduce our workload, and had suggestions for reaching this goal. The status of this report now is that it is indefinitely on hold. It is on hold because of the budget, among other things. We've also talked about increased diversity among faculty. There was a task force report on that. Many things are being done, but they haven't risen to the priority that many of us would like to see. Also, we've talked about interdisciplinary programs, and there is a smattering of them across campus. Many of us would like to see more, but how does that fit in with the overall academic program, and how does it get funded? We don't have the answer to this. These are things the strategic planning process can help us to address."

Chair Nellen said, "A few reminders about some things that will be coming up in the Spring 2005. We will have a revised Retention Tenure Promotion (RTP) policy. You will hear a little more about that today from Senator Bros. We will also be looking at our GE guidelines and suggestions from the Board of General Studies (BOGS) on how to enhance our GE program. We will be looking at recommendations from the Task Force on the Coalition of Intercollegiate Athletics (COIA). Hopefully, we will also have some goals from the strategic planning goals group. We will have a policy that makes the Resource Planning Board (RPB) permanent. Finally, I'd like to remind you that we are co-sponsoring a forum on Shared Values with the President's Office this Thursday, from noon-

1:30 p.m., in the Student Union Ballroom. If you can come please RSVP to the President's Office. This forum is for faculty, staff, and administrators."

**B. From the President of the University –**

Interim President Kassing said, "You have the budget presentation on your agenda for 4:30 p.m. This is Acting Vice President Rose Lee's first time delivering the budget report, and I would ask that you treat her well."

Interim President Kassing said, "You are going to be working on AS 1268 today, so I'm going to make a few comments on that. We have over the last 15 to 18 months been discussing the need to plan. I'm very encouraged by what Dorothy Poole has pulled together on this. We are getting started on some serious planning."

Interim President Kassing said, "I'd like to make a few comments about the Campus Climate Committee. Some of you may know that Gabe Reyes actually retired last April. At Joe Crowley's request, Gabe stayed on as a retired annuitant. There is a limit to how much time you can do that. Gabe's time expires at the end of December. Gabe and I have been trying to talk our way through a transition over the last couple of weeks. A couple of things I'd like you to know. Gabe arranged a couple of weeks ago, for me to meet the leadership of different ethnic advisory committees that have worked with the President's office over the last seven or eight years. I had known some of these people individually, but had never met them in that setting. I came away from that meeting terribly impressed with their energy and commitment to SJSU. They are interested in being involved, and in helping the university. We are going to setup a retreat with them after the first of the year, to talk about how we can accomplish more together. There are some strong community leaders in this group, and most of them are alums. We are going to get them more involved. I met with the Campus Climate Committee last Thursday morning. Dorothy Poole gave them a broad perspective on what we are trying to do with planning. With Gabe leaving, the Campus Climate Committee doesn't have a chair, so we've asked them to create their own structure. They are working through an election of a chair and possibly a vice chair."

Interim President Kassing said, "One other meeting I'd like to tell you about is the MPP meeting. There are about 150 to 160 MPPs. MPPs are people in the Management Personnel Plan. They are administrators at the university. We gave them an overview of the planning matrix we are beginning to shape and discuss. It was very well received. One other thing we spent some time on was the number of interims right now. This might suggest some uncertainty or tentativeness. I have asked people to join the senior team that I have an enormous amount of confidence in. I introduced them to the management team on Wednesday last week, and I introduced them to the Senate about a week ago. This is a time when we are in charge of ourselves. We are dependent on our own talent and experience. I feel very comfortable with the people I've asked to lead during the time that I'm your Interim President. This is a time to be confident and to trust ourselves. This is not a time to stand still. If you remember, two years ago in November, Bob Caret was being strongly recruited by Towson State. We lost him a couple of months later. I'm going to serve as your Interim President the rest of this year and next year, and then we'll be going into a presidential search. That will be almost four years from the time Bob Caret left. We can't

stand still during this time.”

Interim President Kassing said, “I’d also like to mention that I have had some very intense, but very fruitful conversations with the Executive Committee about Intercollegiate Athletics. It is important for me to tell you that I feel very strongly that the historical perspective here has to come into play. You will be hearing a resolution today, AS 1267, dealing with Athletics. When I came here in 1993, we were in this discussion and 2% was the frame of reference, and 2% is the frame of reference I’m using to work on this problem. I’ve had a number of conversations with community people about the Athletics budget, and I’m encouraged by them. There is an awful lot to do, but I’m encouraged.”

Interim President Kassing said, “That is all I have for you today. I’m going to have to leave here at 3 p.m. to catch a flight to Long Beach.”

#### IV. Executive Committee Report –

##### A. Executive Committee Minutes –

November 22, 2004 – No Questions

November 29, 2004 – No Questions

##### B. Budget Advisory Committee Minutes – None

##### C. Consent Calendar – None

##### D. Executive Committee Action Items:

Senators Heisch and Veregge presented *AS 1267, Sense of the Senate Resolution, Requesting Interim President Kassing to Create a Task Force to Develop a Plan to Reduce the Division of Intercollegiate Athletics’ (DIA) Dependence on the General Fund (Final Reading)*. Senator Branz presented a **friendly amendment** to change the first Resolved clause to read, “**Resolved, That the Academic Senate calls upon Interim President Kassing to work with the Executive Committee of the Academic Senate to form, as soon as possible, a Task Force to develop a set of priorities to guide the DIA as it achieves a budget with an allocation from the General Fund not exceeding 2.0% by Academic Year 2007/2008.**” Senator Sabalius proposed an amendment to add a new 2<sup>nd</sup> Resolved clause to read, “Resolved, That a thorough investigation and analysis of different types of programs at different divisions and levels should be considered.” The Senate voted and the Sabalius amendment failed. **The Senate voted and AS 1267 passed as amended.**

Dorothy Poole, Assistant to the President for Institutional Planning, gave a brief history of the events that led to the creation of AS 1268. Poole said, “My role is to facilitate strategic planning in terms of the creation of organization, the process, and ultimately the plan, which will be a living document. I want to stress from the beginning that conceptualizing strategic planning has been consultative. We’ve been deeply engaged in self-reflection for quite some time. The WASC reaccreditation effort here at SJSU was led by an Accreditation Steering Committee. That committee consisted of more than twenty representatives from the faculty, the administration, and also the student government. Prior to the WASC visiting team coming on campus back in October, this steering committee prepared a summary of observations and recommendations for President Kassing. We wanted to share with President Kassing what we learned through that self-reflection process. At the top of

the list was the need for strategic planning.”

Poole said, “The WASC Preparatory Team review is all about capacity. Do we have the policies, programs, and resources in place. The next part of the review will be about educational effectiveness--how effective are we at delivering quality education. The WASC Preparatory Review Team shared with us at their closing meeting, and also in their written draft report that they applauded our progress and the strengths that we have. However, they identified three areas of improvement that are mandatory for us to address. First on the list was strategic planning. They said, “We think you know who you are, but we’re not sure you have a sense of where you are going in the future.” The second item on the list was that we needed a comprehensive enrollment management plan with measures that tied to institutional goals. The last item on their list related to academic excellence. The team said our assessment model based on learning outcomes needed to be extended beyond GE. We needed more progress in assessing learning outcomes in the major for both Undergraduate and Graduate areas.”

Poole said, “The Academic Senate also hosted a retreat and a brainstorming session on strategic planning. I could go on, but the point is that strategic planning is a top priority for this institution. We need to get started. As we prepare for our future, the strategic planning process must be open, consultative, interactive, fact-based, and seek input from key stakeholders. Our decisions and actions must be focused on key priorities and oriented towards improvement. One of the important tasks that lies ahead in our strategic planning process is to build a shared vision for SJSU. First we need to establish a plan that includes strategies and actions as well as a set of measures to help us assess whether we are achieving our goals. In short, we’ll develop a vision, a road map, and a way to assess ourselves.”

Poole said, “Today, you will be considering the formulation of a strategic planning organization. The structure of this organization includes essentially three elements. One element that already exists is the Resource Planning Board (RPB). Another element is the Goals Advisory Council (GAC). The GAC’s responsibilities would be to set priorities and future direction for the next 5 to 7 years. And, the last element is the University Planning Council (UPC). The UPC would be responsible for developing strategies and plans, and for reviewing performance. All three of these bodies are advisory to the President.”

Senator Donoho presented *AS 1268, Policy Recommendation, The Strategic Planning Process at San José State University (SJSU) (Final Reading)*. Senator Williams proposed an amendment to section 3.2 to add, “**9. Faculty-at-Large member,**” and section 4.2 to add, “**11. Two Faculty-at-Large members.**” Senator Stacks proposed a substitute amendment to the Williams amendment to make the membership of the GAC the same as the UPC membership with the addition of one faculty-at-large member. The Senate voted and the Stacks substitute amendment failed. Senator Bros proposed an amendment to the Williams amendment to remove the Academic Senate Vice Chair from section 4.2 of the UPC membership. The Senate voted and the Bros amendment to the Williams amendment failed. **The Senate then voted on the Williams amendment and it passed.** Senator Stacks proposed a **friendly amendment** to change the word “**adopted**” in the first resolved

clause to read, “**recommended.**” Senator Breivik proposed a **friendly amendment** to change section 3.2, line 5 to read, “**A dean selected annually by the deans.**” Senator Norton proposed an amendment to add a new section, “**7.0 The faculty-at-large members shall be chosen by the elected members of the Executive Committee after solicitation of applications from faculty. The term shall be 2 years.**” The Senate voted and the Norton amendment passed. Senator Branz proposed a **friendly amendment** to replace the word “**subcommittees**” wherever it appears in the resolution to read, “Planning Advisory Panels,” and to add a section, “**5.1.3 Each Planning Advisory Panel must have a liaison from the UPC.**” Senator Thames proposed an amendment to section 3.1, the charge of the GAC. Senator Thames proposed the following language be added to section 3.1, “The first duty of the GAC would be to solicit campus-wide input on identification of data sets and groups to be consulted in their work of setting long term priorities. The Senate voted and the Thames amendment failed. The Senate then voted and AS 1268 passed as amended.”

V. **Unfinished Business - None**

VI. **Policy Committee and University Library Board Action Items. In rotation.**

- A. **Budget Advisory Committee – Moved to next meeting**
- B. **Instruction and Student Affairs Committee – Moved to next meeting**
- C. **University Library Board – Moved to next meeting**
- D. **Professional Standards Committee – Moved to next meeting**
- E. **Curriculum and Research Committee – Moved to next meeting**
- F. **Organization and Government Committee – Moved to next meeting**

VII. **Special Committee Reports -- None**

VIII. **New Business:**

**A. University Foundation Update:**

Mary Sidney said, “There are essentially two messages that I wanted to convey today. One message I’d like to convey is how the Foundation might be used as the campus goes through its strategic planning process. The other message I’d like to convey to the Academic Senate is where we are currently directing our efforts. I’ll start with the area of strategic planning. Recently, we’ve been looking internally at the Foundation. We’ve had a lot of successes with grant awards. I see a message emerging from this. As we move forward with strategic planning on the campus, I think it is important to look at the Foundation as a resource, or a strategic partner whose resources can be brought to bear on various campus priorities and initiatives. We have a broad range of university programs and activities. Many times they involve external partners that are local, not just at the federal and state level.”

Sidney said, “When we talk about strategic planning, we can approach some of these particular areas in a collaborative way. We might be able to identify opportunities to better leverage the combined assets of the university and the Foundation to optimize the benefits to the university. Some of the examples of what it is I have in mind include, for example, the award that recently

came in from a private foundation that provides funding for three cohorts of 30 students to accelerate getting a Bachelor of Science degree in Nursing. Typically when you think of resources for academic programs, you don't think of the Foundation. Usually you think of the Foundation as just involving research. I wanted to give you the opportunity to think more broadly about the kind of things that can get funding through the Foundation. The Foundation can complement what happens on the academic side. When you look for scarce resources, you want to look across all the organizations on campus that provide resources to support the university mission."

Sidney said, "Additionally, we just did a quick search through all of our data. We realized that about \$1.4 million is paid out annually to faculty for salaries and research through the various grant programs. When you talk about resources for faculty support, certainly the Foundation should be factored into that."

Sidney said, "Then there are the non-financials, equipment and facilities. We recently had an National Science Foundation (NSF) grant that funded state of the art equipment. This is used for both instruction and research. Maybe as you struggle with what resources might be brought to bear for something that is typically a state funded activity, there might be something that can happen on the grant funded side. We also looked at what happens to equipment that is funded through grants over time. As grants close out, the Foundation annually transfers title to these assets to the university. If you know what kinds of equipment you will need for instruction that is also used in research, you might want to include the item in a grant application and, once funded, eventually this equipment will be owned by the university."

Sidney said, "A third area that the Foundation might be able to help with is in the area of discretionary funding. We get allocations where we assess administrative costs on our grants and contracts, and that is to reimburse the campus for the cost of supporting the administrative infrastructure. A chunk of that stays with the Foundation, but a big piece goes over to the university annually as well. This helped to fund special initiatives such as CMS, and the university Gateways until those pledges materialized."

Sydney said, "I mentioned the indirect cost allocations, annually the Foundation distributes about \$2 million. About half of the amount to academic units is for Moss Landing, the other half comes to the SJSU campus."

Sidney said, "As for strategic planning, we are working to increase and diversify our revenue sources. We typically have seen grants and contracts as our primary vehicle, but we recognize there are other vehicles, in particular, federal earmarks where we have engaged a Washington lobbying firm. Those earmarks do not necessarily need to be limited to strict academic research priorities. We are currently working on an earmark request for a nano-technology center in the College of Engineering. That center will be of value to us and the community. This will be a real resource for the valley as well as the university for research, instruction and training."

Sidney said, "Another activity that we are heavily involved in is we are revamping our indirect cost allocation formula. For those of you that are familiar, these are the allocations that are made three times a year back to the academic unit Deans, Chairs, and Principle Investigators

(PI). That formula has been in place for years. One of the problems we had is that the formula currently includes investment income, and in a market environment such as the one we are in, the investments fluctuate. We are trying not only to bring stability, but we want a direct correlation between our grant success, and the indirect cost allocations. Right now that direct correlation does not exist, because of the investment income in the formula. We are looking to revamp this by spring 2005.”

Sidney said, “We will be holding forums with each of the colleges. We are also looking to engage in more aggressive outreach with the local community. We’ve already got a lot of partnerships in place. We want to see if there is a way to broaden these relationships. We are also trying to create a faculty expert database.”

Sidney said, “As for the Foundation’s strategic priorities, we are working to increase. Lastly, what the Foundation always wants to keep in the forefront is aligning whatever we do with the Academic Affairs goals, objectives, and strategic priorities, as well as the priorities of the University.”

### **Questions:**

Senator Buzanski asked, “A couple years ago a former administrator pointed out that our foundation grants were way below those of San Diego State University, and he was trying to do something to increase this. Do you have any comparison figures now between us and San Diego State University? Sidney said, “My most recent numbers show that out of about 80 auxiliaries, ours is about number four. San Diego State University Foundation is the first. They continue to be the first, primarily because they have a number of joint doctoral programs. With a lot of post-doctoral fellows, you can get a lot more research done.”

### **B. University Budget Presentation –**

The Interim Vice President of Finance and Administration, Rose Lee, gave the annual presentation on the university budget. Senator Lee said, “At this time I’d like to introduce and thank Budget Director Cynthia Haliasz, and Interim AVP Shawn Bibb. I am not going to spend much time on the process, the process hasn’t changed much over the years. Basically, 2003/2004 was a pretty tough year for the university. We had a \$14 million budget reduction to the General Fund. The prior year was a \$9 million budget reduction to the general fund. That is a \$23 million budget reduction to the General Fund over the last two years. This was over 10% of the general fund budget.”

Senator Lee said, “I’m going to take you through the actions the President and staff took based on the recommendations of the RPB. This report covers all the funds, but it focuses on the general fund, and the allocations within the general fund. Here are some facts to remember. We are given a state appropriation amount. That cannot be changed by the university. The second piece of the general fund budget is the revenues that we as a campus have to collect. That number we can adjust, and we do adjust it based on campus specific practices and patterns. For instance, we can adjust how much state university fee we collect. If our appropriation is \$100 million and the Chancellor’s office says that we must also collect \$50,000 in revenue, if for

some reason we do not and we don't think we will (for example non-resident tuition), we can adjust that downward."

Senator Lee said, "I will refer to page numbers as I go along, let's look at page one. In November, based on information submitted by campuses in August, the Trustees submit a budget to the Governor. That is called a Trustee's Budget and it is for the next fiscal year. Last month in November, the Trustee's Budget for 2005-2006 moved forward. In January 2005, the Governor will evaluate that budget, and he will come out with the Governor's Budget in mid-January. The Governor's Budget goes through a legislative process and then a May revise based largely on state revenue and state income taxes, etc. Then the Governor, working with all these legislative committees, comes to a final budget which is supposed to be passed in late June or early July. This is basically the budget process and it hasn't changed."

Senator Lee said, "On page 4, you have the campus budget process. Basically this budget process has not changed over the years, except for the substitution of the RPB for the Budget Advisory Committee (BAC). The membership of the group has changed, but the role of the group is basically the same. I just want to say that Interim President Crowley took the Senate's recommendation to establish the RPB. The RPB recommended in May and June, various actions for the general fund budget. They were accepted by the President and they were implemented. I won't go over the Budget Priorities statements, because they also did not change. I would like to say that the resolution we just adopted will change the process."

Senator Lee said, "I am now going to go to page 10. This is the page that summarized all the budget numbers. It has all the funds including the general fund (the general fund is \$219 million or almost 54% of the budget), housing, continuing education, parking, lottery, student health, auxiliaries as well as student fees. You may see one or two more additional line items than in the past. Specifically we included miscellaneous trust funds, and student course fees that are also deposited in trust. Those are additional resources that have always been there. However, they must be spent for what they were collected for. I'm not at all saying these are discretionary funds to be spent for any other purpose."

Senator Sabalius said, "When you talk about the 2% of the general fund to be spent on Athletics, are you referring to the general fund base of 53.9%? Senator Lee said, "It would be 2% of the \$219 million number. For example, if the resolution had called for the Athletics budget to be no more than 2% for this year, then it would have been 2% of the \$219 million."

Senator Buzanski said, "The blue form you referred to doesn't have an email address. Can you give it to us." Senator Lee said, "The email address is under Roman numeral V, not on the blue sheet as I thought."

Senator Lee said, "Let's move now to page 11. This is a very technical page. I don't expect you to go through each line item. Let me just say this, if you were to look at the bottom line, line 48, you would see that the general fund actually grew from last year. The reason for this was that our employer-paid retirement went up by a huge percentage. As you can see on line 20, we received \$10.4 million to fund that. That is called a mandatory cost. Another mandatory cost is health premiums. For the past several years, health premiums have been increasing at the rate of

15-25%. The state has not funded these increases for the past three years. The campus has had to come up with the funds. These are called mandatory costs that we have to pay. This is why the reductions to the Divisions were so severe last year. At the last minute the Governor passed a budget that restored back to the campuses additional funding for a 1.87% increase in the base. We were first reduced 5% from 2003/2004 to 2004/2005, and then 1.87% was restored. That came in late, and I'll show you what that meant to us in the \$14 million. The \$14 million was based on 5%."

Senator Lee said, "If you go to page 14, you will see that we still have some funds in reserve that we did not allocate out. We held back \$1 million, because we knew we were not going to meet our non-resident fees requirement. Then new funding came back for this 1.87%, and we only allocated out to the Provost. Provost Goodman and Vice Provost Nance had used one-time funds to meet our budgeted FTE. We also allocated another \$600,000 for the Provost to give to the colleges to add additional classes. We are holding about \$3.7 million as a reserve, basically against not meeting our revenue. We have to collect \$78 million worth of revenue. On page 48 it is broken down into all the different categories. If any one of these categories is short, we have to cover that. So, on a budget of \$219 million, having a small reserve of \$3 million is not unreasonable. The reserve is also something the RPB will be looking at. The RPB will be working on a recommended reserve policy. We really can't have an organization as big as San José State without something in reserve. At year end I get very nervous, because we cannot, by statute, be over our general fund."

Senator Lee said, "On page 12, in addition to the base budget, the campus does receive one-time funds from the Chancellor's office. You can see that sometimes these are repeated allocations that, for some reason, the Chancellor's office does not want to put into our base. These would be items such as number 6, research scholarships and creative activity."

Senator Buzanski said, "On line 23, you have a one-time adjustment of almost \$10.5 million, and your estimate for the next year is only \$2.9 million. I'm wondering how you account for that huge difference? Senator Lee said, "That is a budget technicality. The \$10.4 was a one-time, because they fund the PERS in arrears. That \$10.4 was in arrears, and now the \$10.4 that I just pointed out is the permanent budget for last year. They are always one-year behind. So the employer's percentage did not increase that much between last year and this year. It is already back up to 14 or 17%. When I came here 23 years ago the PERS rate was 18%, and then the stock market did really well and there were a couple years where it was 0%. It all depends on the PERS investments. It moved back up to a significant percentage, and that has added to the state budget crisis."

Senator Lee said, "I'm now going to move to page 13. This is the work that the RPB recommended to the President and staff. Basically, lines 1 through 10 represent mandatory budget items that we had to fund. It starts off with an estimate of our share of a budget reduction of \$10 million. We had to fund the health premium increases, and SSIs for unit 3. The Chancellor's office and state did not fund those. Risk management has been really terrible with worker's compensation, and property insurance premiums. That came close to \$1 million. We had the library compensation equity, which is the joining of the university and city employees. These employees had to have equity, because they are working in the same place at similar jobs.

We did not have a choice. And, there was an adjustment in student fee revenues. That added up to almost \$13.7 million, and you'll see that really we did not allocate hardly anything to any Division. We allocated \$50,000 for quality of life and faculty/student retention. That was a program highly supported by President Crowley. I believe it was for one Division, the Division of Student Affairs. Then we allocated \$186,000 to the Division of University Advancement for the Foundation that is being setup, and to expand fundraising for the university. We also allocated \$91,000 for the new library security. We realized after the library opened that there was not enough security to watch over the number of people going in and out of the library. We were incurring quite a bit of theft. This added up to the \$14 million we had to come up with."

Senator Lee said, "Page 15 shows you how we came up with the \$14 million. The Academic Affairs Division came up with \$10.8 million, the Administrative Division came up with \$2.5 million, the Student Affairs Division came up with \$430,000, and Athletics came up with \$259,000."

Senator Lee said, "Let's go to page 17 and 18. You can see we have broken out the budget for the various funds by Division. We have the general fund, lottery, continuing education, housing, parking, etc. Page 19 is revenue funds, page 21 is housing, page 22 is continuing education, and pages 24 and 25 are the lottery."

A motion was made to extend the meeting to 5:18 p.m. The Senate voted and the meeting was extended.

Senator Lee said, "On page 41 we have Athletics expenditures. Basically, in 2002/2003 the program ended with a \$350,000 deficit." Senator Buzanski said, "Let me see if I understand this correctly. In 2002/2003 we ended with about a \$348,000 deficit. Then we had a \$490,000 deficit in 2003/2004. This brings us to a total of \$839,000. Then we have an additional \$490,000 deficit for the "Read to Lead" game. I now come up with a deficit of \$1,329,000. How are we going to pay that back?" Senator Lee said, "I can't answer that question by myself. I know that Interim President Kassing has spent a lot of time talking to supporters that have some ideas. I'm not going to pretend this will be easy." Senator Buzanski said, "Do I understand these figures correctly?" Senator Lee said, "Yes."

Senator Sabalius said, "In the year 2003/2004, wasn't the Athletics Division supposed to payback part of the debt from 2002/2003? Senator Lee said, "That is correct." Senator Sabalius said, "Instead they ran up an additional debt. Wouldn't it stand to reason then that in projected budgets, there would be an internal payback of their own debt." Senator Lee said, "That was the plan. However, a couple of things happened. The Athletics Division had their share of a \$14 million budget reduction. In addition, their students faced the state university fee increase. So, they had a budget reduction, but their costs increased. Quite frankly, their revenue did not meet their expenses. When you have a Football Athletics program, the expenditures happen in the first part of the year. The contracts are set in place sometimes two-years in advance. You can't break these contracts."

Senator Lee said, "Page 48 gives you a breakdown of the \$70+ million we have to collect in revenue. I just wanted to point that out."

Senator Van Selst said, “Interim President Kassing said that the \$500,000 loss on the “Read to Lead” classic came out of the reserve. Where in this document can I find that?” Senator Lee said, “That information is on Page 10. We do have some funds that are interest earnings from our cash. There isn’t a whole lot of it, but there is some. The reserve is \$3.5 million. We earn somewhere around \$500,000 to \$700,000 in interest each year.”

**IX. State of the University Announcements. Questions: In rotation.**

- A. Statewide Academic Senators – Moved to next meeting**
- B. Provost – Moved to next meeting**
- C. Vice President for Student Affairs – Moved to next meeting**
- D. Vice President for Student Affairs – Moved to next meeting**
- E. Associated Students President – Moved to next meeting**

**X. Adjournment** – The meeting adjourned at 5:18 p.m.