

2008/2009 Academic Senate

**MINUTES
December 15, 2008**

I. The meeting was called to order at 2:06 p.m. and attendance was taken. Forty-two Senators were present.

Ex Officio:

Present: Lessow-Hurley,
Meldal, Whitmore,
Van Selst
Absent: Sabalius, Cavu-Litman

Administrative Representatives:

Present: Najjar, Phillips, Sigler, Lee

Deans:

Present: Parrish, Merdinger, Meyers
Absent: Stacks

Students:

Present: Hypes, Levy, Lichty,
Absent: Cerda, Linder, Palumbo

Alumni Representative:

Absent: No representative assigned
yet.

Emeritus Representative:

Present: Buzanski

Honorary Senators (Non-Voting):

Present: Norton

General Unit Representatives:

Present: Sivertsen, Romo, Fujimoto

CASA Representatives:

Present: Fee, Hendrick, Kao, Canham
Absent: Semerjian

COB Representatives:

Present: Campsey, Roldan

ED Represent:

Present: Maldonado-Colon, Langdon
Absent: Rickford

ENG Representatives:

Present: Gleixner, Du, Backer

H&A Representatives:

Present: Butler, Vanniarajan, Brown, Van Hooff, Mok
Absent: Desalvo

SCI Representatives:

Present: McClory, Kaufman, Hilliard, d'Alarcao
Absent: McGee

SOS Representatives:

Present: Von Till, Lee, Heiden
Absent: Hebert

II. Approval of Academic Senate Minutes – The minutes of November 17, 2008 were approved as is.

III. Communications and Questions –

A. From the Chair of the Senate:

Chair Meldal shared that the holidays were a time for us to reflect and recharge before we go forward into tougher times in the new year.

Chair Meldal thanked the International Programs and Services unit for reaching out to the

Indian population on campus after the Mumbai attacks at the end of November.

Chair Meldal announced that AVP Robert Cooper has decided to return to his joy of teaching in the College of Social Sciences in the Fall 2009. This is a decision AVP Cooper has made subsequent to his retirement in a few years. Consequently, the Academic Senate Office will be sending out a call for nominations for the search committee to replace AVP Cooper in the next few days. The deadline to submit nominees will be January 21, 2009.

B. From the President of the University –

The President thanked the Senators for their help, support, and friendship during his first semester at SJSU.

The President also thanked the Senators for their kindness and sympathy to his wife Jennifer with the recent passing of her father. It was greatly appreciated.

The President reported that we may be cut up to \$6 million from our budget this year. Although this has already been announced, the money cannot be taken away until the legislature approves it. The money is being held in reserve until we have to give it back.

SJSU is now officially impacted. We have more students than we are funded for. Impaction allows us to control our admissions, except for those in our local area which is Santa Clara County. Senator (VP) Phillips will be discussing impaction indepth later in today's meeting.

If the economic stimulus package is passed, in early March the President and others from the CSU system will be going to Washington, D.C. to talk to our delegates and push for federal funding.

IV. Executive Committee Report –

A. Executive Committee Minutes –

Minutes of November 17, 2008 – No questions.

Minutes of November 24, 2008 – No questions.

B. Consent Calendar – The Senate voted and the consent calendar was approved unanimously (with the addition of Wendy Ng to the Board of General Studies for a one semester replacement for the College of Social Sciences).

C. Executive Committee Action Items: None

V. Unfinished Business - None

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

A. Organization and Government Committee (O&G) –

Senator Backer presented *AS 1402, Policy Recommendation, Changes to the Composition of the Professional Standards Committee (Final Reading)*. Senator Van Selst made a friendly amendment to strike, “As far as possible,” and to replace “shall” with “should” after “Tenured faculty” in 6.9c). **The Senate voted and AS 1402 passed unanimously as amended.**

Senator Backer presented *AS 1403, Policy Recommendation, New Bylaw 16 (Final Reading)*. Senator Van Selst presented a friendly amendment to change the title to read, “16. Specific Designation of Rescinded Policies,” instead of, “16. Specific Designation of Superseded Policies.” Senator Lessow-Hurley presented a friendly amendment to change the Workload Impact, 2nd line, to read, “there will be no need to revisit policies,” instead of “there will be no need to amend policies.” **The Senate voted and AS 1403 passed unanimously as amended.**

Senator Backer presented *AS 1406, Senate Management Resolution, Changing the Composition of the Program Planning Committee (First Reading)*. Senator Backer commented, “This referral was a request from the Program Planning Committee, and we have talked to both the Program Planning Committee and the AVP of the Office of Institutional Research. The proposal is to add the AVP of the Office of Institutional Research to the Program Planning Committee as an Ex Officio member.” Senator Van Selst asked, “Do you know what the current membership of the committee is?” Senator Backer said, “It has two faculty members from each college and the general unit, in addition to AVP William Nance representing the Provost’s Office, and AVP Robert Cooper representing the Undergraduate Studies Office, the Director of Assessment, 1 Graduate and 1 Undergraduate Student.” Senator Buzanski made a motion to move the resolution to a final reading. The Buzanski motion was seconded. The Senate voted and the Buzanski motion carried. **The Senate voted and AS 1406 was approved unanimously.**

B. Instruction and Student Affairs Committee (I&SA) – None

C. University Library Board (ULB) – None

D. Professional Standards Committee (PS) –

Senator Maldonado-Colon presented *AS 1397, Policy Recommendation, Sabbatical Leaves Policy (Final Reading)*. Senator Backer presented an amendment to V.A.1, 2nd line, to change “probationary and tenured faculty” to “tenure-track and tenured faculty.” Senator Merdinger clarified that “tenure-track” and “probationary” were interchangeable in the CFA contract. Senator Backer withdrew her amendment. Senator Vanniarajan presented an amendment to change V.A.1., 2nd line, to read “tenured associate and full professors.” The Senate voted and the Vanniarajan amendment failed. **The Senate voted and AS 1397 passed unanimously.**

E. Curriculum and Research Committee (C&R) – None

VII. Special Committee Reports –

A. CSU Systemwide Impaction for 2009-2010 Admission –

Senator Phillips, Vice President of Student Affairs, gave a presentation on CSU Systemwide Impaction for 2009-2010. (Slides attached).

VP Phillips said, “What we are going to talk about today is the CSU Impaction which was declared on November 20, 2008, and the impact that will have on enrollment at SJSU. There is an enrollment advisory group that will be formed reporting to the President, and I want to talk a little about that and perhaps get some feedback from you. I’d also like to talk about the long-term plans for 2010 and 2011.

Many of you know that we have a wonderful problem we are dealing with at SJSU. In 2006-2007 we were under-enrolled. It was less than 1%, but we were still under-enrolled. On the resident side of the package, we had fewer full-time enrolled students than we had been budgeted for that year. In addition, the budget that year was in two pieces. We had the permanent base allocation of FTES and that was 22,232, and then in addition to that there was 239 FTES in a one-time allocation, making our total resident allocation 22,471 FTES. Just so that everyone is clear, for undergraduate students 15 units counts as 1 FTES, and for graduate students 12 units counts as 1 FTES. To look at the college year, which is what we are really budgeted for, you take the total FTES for summer, fall, and spring and divide that by 2. That averages the summer enrollment over the two regular semester terms.

In 2007/2008, for a whole variety of reasons including a number of gifts to the university due to our 150th Anniversary and some improvements in processing admissions, we had record enrollment and were 6.6% over budget. In one year we went from less than 1% under-enrollment to 6.6% over-enrollment. That is a problem, a wonderful problem to have, but a problem nonetheless.

For Summer and Fall 2008 the record is all in, but for Spring 2009 advance registration is still taking place. Some estimates for Spring 2009 are as low as 22,591 FTES, and some estimates are as high as 25,120 FTES on the resident side of enrollment. Why the disparity? One reason is that we think that students are enrolling much sooner for Spring 2009 than in previous semesters. The projection, as of registration Saturday, gives us 25,120 FTES. This would mean that for the first time, we could have a higher registration for Spring than for the previous Fall semester. That is rather astonishing if it holds.

We do need to get our enrollment down to provide what the Chancellor calls “authentic access.” If we have too many students for the budget that we have, then the classes are fuller and it’s harder to provide the student services, student advising, and all the things that go into an overall academic experience.

The Chancellor issued a memo on November 20, 2008, declaring CSU systemwide impaction after consultation with the CSU Statewide Academic Senate, the Board of Trustees, and the Presidents. The features of that CSU systemwide impaction are as you see here. It actually allows individual campuses to use campus-wide impaction for freshmen and transfer applicants

for the 2009-2010 academic year. The lower division and post baccalaureate students are out of luck unless an individual campus needs them in order to come up to their enrollment target, but if the lower division and post baccalaureate students are not needed, for example on a campus like ours, then we are not authorized to admit these categories of students.

The priority filing period each fall is a two-month period beginning October 1st and ending November 30th. We are always open during that period of time. Even without impaction we cannot set the application deadline any earlier than November 30th. However, we have always been authorized to set the deadline as early as November 30th. This year, prior to the systemwide impaction declaration, we had already done that. We had already warned all the local high schools and community colleges that November 30th was going to be our deadline.

We do have something called a local area guarantee. What that means is that during that priority registration period, anyone from the local area who applies, and meets all the CSU eligibility criteria, is admitted. Outside the local area applicants are admitted only on a space available basis.

Graduate applicants are not directly affected by impaction. Although, the whole purpose of impaction is to manage our enrollment down, therefore, we must take into account what happens with graduate as well as undergraduate students in order to be sure we meet our enrollment target. At this point, we do not plan any significant change in either the U.S. non-California, or international student enrollment.

For 2009/2010, today (December 15, 2008) was the deadline for the president of each CSU campus to respond to the Chancellor's office with information about their campus intent to use campus-wide impaction under the systemwide campus impaction plan. President Whitmore did submit a letter last week indicating that for 2009/2010, we will have campus-wide impaction for freshmen and upper division transfer students. We will have no significant change in the non-resident enrollment. The local area, as publicized in coded memorandum AA-2005-05, is Santa Clara County. The determination as to whether an applicant is from Santa Clara County depends on the institution. In the case of a freshman, that would be based on the high school they graduated from. In the case of a transfer student, it would depend on the community college where the most number of units were earned.

For Fall 2009, here is a quick digest. All California applicants that were admissible and applied prior to November 20, 2008, will be admitted if they are CSU eligible. In most cases they already have an admission status posted on MYSJSU. On the other hand, if the applicant is from outside the Santa Clara County area and they applied after November 20, 2008, then they will be subject to being admitted on a space available basis. For lower division transfer and post baccalaureate students, they have been notified that their application is being withdrawn. They will not be admissible to SJSU for Fall 2009. If they have already paid their application fee, it is being refunded.

We are in the process of developing a 4x4 matrix. The column headings are Freshmen, Transfer, Credential, and Graduate students. The rows are Local Area, Non-Local California, U.S. Non-California, and International. We are setting some enrollment targets for each of those resulting

16 slots. The space available admission for the non-local applicants will be determined by two simultaneous lists. One list is of the GPAs, either for Freshmen or Transfer students. The other list for Freshmen is the CSU eligibility index, which is a combination of GPA and either SAT or ACT tests.

For Spring 2010, we may go to a space available admission process for all applicants, including local area applicants. If needed to manage our enrollment down, it is clear from the Chancellor's Office that we can go on a space available admission basis for all applicants for Spring 2010. We are sufficiently over-enrolled, especially if Saturday's registration figures were to be born out and we hit Spring 2009 as high as we could, that we might need to do that. It is too early to say. I predict we will not close for Spring 2010, that is accept no applications, but simply admit as space becomes available.

There are a number of additional measures planned for 2009/2010. We will adhere to deadlines. We may also restrict registration for students that are well over the number of units required for their major. This is something AVP Robert Cooper and others are working on to see if it is feasible. There may be a few major programs that are declared impacted for Fall 2009. We do have a methodology to expedite the review to get it approved that is under consideration. Disqualified students in the past have been able to reapply almost at the last moment. That is no longer the case. Disqualified students, upon successfully completing a program of study, will need to apply for the next available term whatever that is. If it is past the deadline for Fall 2009, then they will have to wait till Spring 2010. That is another measure we are taking.

We have had almost no time to consult widely about most of what I've talked about so far. We did have a meeting with the Senate Executive Committee a few weeks ago. However, there will be a presidential enrollment advisory group formed. What we are thinking at the present time is that there would be 4 enrollment planners out of Academic Affairs, 4 enrollment planners out of Student Affairs, 4 faculty, 2 students, and we are not sure about community representatives. The kind of community representatives we'd like to consult with include school superintendents and community college chancellors. However, we may have ways of consulting with them that do not require them to sit on our enrollment advisory committee. For example, one of the things we have considered doing is to go to the superintendents that meet about once a month—all 30 of them in this county—and give reports to get feedback from the whole group. Similarly, the community college chancellors meet in a group called the Silicon Valley Higher Education Roundtable through which we could do some consulting with community college chancellors, and so forth. If you have some thoughts about this please let me, or Gerry Selter know. In particular, the advisory committee will be especially helpful in preparing plans beyond next year. The problems are not going to go away next year.

On April 30, 2009, if we wish to declare campus-wide impaction we will need to submit a plan. For example, that could be campus-wide impaction for first-time freshmen and it could be programmatic impaction for upper division transfer students. That would be one possibility. We would be doing this, because the CSU systemwide impaction has been declared for only one year, and that is 2009/2010. The Chancellor might extend the CSU systemwide impaction if the budget continues to be poor, but we have no assurance that is the case. The campus is engaged in the process of determining whether to declare campus-wide and programmatic impaction, and

how all that might work. What I did was what San Luis Obispo does, and declared impaction for every single program at the upper division level where we require majors to be declared. We might also declare campus-wide impaction for freshmen and not require majors to be declared, as is our current plan.”

Questions:

Senator Kaufman asked, “One of the biggest tools you have to work with is limiting the addition of non-service area students, but you just told us that any non-service area student that applied before November 20, 2008 is in. What fraction of the non-service area students applied between November 20th and November 30th?” Senator Phillips replied, “I believe the number was approximately half.”

Senator Parrish asked, “I was wondering, has remedial status been anywhere in the equation process?” Senator Phillips said, “That is a very good question. It is highly desirable from an academic planning point of view to say that you have to be exempt from remediation to be admissible. However, when the tests for remediation were implemented some years ago, there were promises made that are now part of policy that prohibit the use of the tests for remediation in any way, shape, or form for admissibility. The tests are only to be used post admission for the remediation courses.”

Senator Langdon asked, “How can we ensure that the university will continue to support minority groups?” Senator Phillips said, “It is very hard, when going to impaction on as short of notice as we have had, to ensure we are doing that. However, I can assure you that it is our and Chancellor Reed’s intent, to be as generous as possible to the variety of students that we have traditionally had represented at this university, which as you know is a highly diverse population. We are going to strive to do that. For Fall 2009, we simply do not have the tools to be certain of that. However, I can assure you that we will be monitoring this and laying some plans for Spring and Fall 2010 that will take this into account to the extent that we can.”

Senator Van Selst asked, “Clearly one way to do this is to say that no freshmen will be admitted on campus, and have the enrollment entirely filled with transfer students. Is that a possible future?” Senator Phillips said, “Possible, yes, desirable, I think not. For one thing, we would have a terrible time filling the residence halls and paying the \$14 million a year mortgage.” Senator Van Selst asked, “Is this something the enrollment group would be looking at?” Senator Phillips said, “Absolutely.”

Senator Gleixner asked, “Does the exclusion of post baccalaureates apply to the upper division transfers as well?” Senator Phillips said, “If they have a baccalaureate degree at the present time, then I believe they are automatically considered a post baccalaureate student and they would not be admissible for the Fall.”

Senator Lessow-Hurley said, “Even though state law and policy apparently prevents us from excluding students that have remediation requirements, there is some implied notion that students that are not from the area can be held to higher standards.” Senator Phillips said, “To the extent that there is a correlation or not between the GPA and the need for remediation then

that would have an influence for out of local area students.” Senator Lessow-Hurley asked, “Is it only GPA, or it is GPA and the CSU eligibility index?” Senator Phillips replied, “For Fall for Freshmen we plan on running two simultaneous lists from which to draw non-local applicants. One is sorted solely by GPA, the other is sorted by the CSU eligibility index, which is a combination of GPA and test scores. We have test scores for about 80% of the applicants for the Freshman level.”

Senator Mok said, “What are we doing here to encourage students to graduate? Also, with the increase in admissions, how are you training the Admissions Office? We have a disconnect between our school and the admissions office all the time. We lose a number of students due to these problems.” Senator Phillips replied, “One of the things that is being explored is to look at those students that are 30 units above the number of units required for their declared major. We are exploring whether it would be feasible to restrict the registration of such students. They would be prohibited from registering themselves, and would have to go to an advisor who would ensure they were making progress toward graduation. This is one idea. With regard to training, training is always ongoing in the enrollment services unit. Colleen Brown and Deanna Gonzales have held meetings with the entire staff to go over the new enrollment rules. However, change management is not easy and we have a large community. Sometimes a disconnect between what happens in the colleges and what goes on in enrollment services does occur. We take great strides to see that it doesn’t occur. We do have some plans to beef up our communications both written and verbal in these areas. We are aware of that problem and are working on it as feverishly as possible.”

Senator Norton asked, “At one time we had a quota for special admissions, will we still have a quota for special admissions?” Senator Phillips said, “Yes.”

Senator Lessow-Hurley asked, “I’d like to know if the Senate has a role in constituting the enrollment advisory committee, and if so what is that role?” Senator Phillips said, “The Executive Committee of the Senate has, I believe, already weighed in on some names for the faculty members of that committee.” Senator Meldal commented that the Executive Committee had not. Senator Phillips said, “The Executive Committee will be asked to weigh in on the names for the faculty for that committee. I had thought this had already taken place, but I guess not.”

Senator Romo said, “I’d like to thank the members of both the Academic and Student Affairs Divisions for their hard work. I know that this is a real challenge for all of us. I have a couple of questions. Do you know how many students have been admitted, and of those admitted how many are EOP students? Also, what efforts are we making to get students to take the ELM/EPT tests early so that we can determine the remediation process?” Senator Phillips replied, “We are planning on making the Freshman Orientation Fee the Intent to Enroll Fee, and prior to signing up for orientation, one has to sign up for the ELM/EPT test. As for the number of admits, I did not bring that information with me, but we are following the data in order to determine those kinds of questions very, very soon.”

Senator Kao asked, “If a student is currently a student here, but not from the local area, and they get disqualified will they not be allowed to re-enroll?” Senator Phillips said, “They will have to

apply for the next available term upon completing their program of study. Whatever the admission rules are at that time will be what applies. If they are from out of the local area, they will go onto the prioritized lists and will need to be selected off of those prioritized lists.

Senator Heiden asked, "Can you tell me what all of this means for summer session?" Senator Phillips said, "Summer session does count toward our average college year enrollment. It is my understanding that the Provost's plan is to hold the summer session at no higher than it was last summer. In other words we are not going to grow the summer 2009 session. There are several considerations there. The legislature in the past has often urged the CSU to make fuller use of the summer session because of facilities. However, because of the budget and the need of this campus to manage our enrollment down so that the actual number of students coincides with what we are budgeted for, we probably cannot do that. The plan being discussed with the Deans right now is not to have any higher summer enrollment in 2009 than we had in 2008."

Senator Fee asked, "Is there any discussion at the campus level about going back to the summer session that was self-supporting so that we can move our students faster towards graduation?" Senator Phillips said, "I cannot comment whether there is discussion at the Chancellor's level, but certainly I have mentioned it myself. I do not honestly know if there is any discussion at the Chancellor's level." Senator Van Selst said, "No, it is not being discussed, YRO is here to stay."

Senator Van Selst asked, "In terms of the enrollment advisory group, would the President be responsive, in terms of the Senate role in the scope of this committee, in hearing from the Senate?" Senator Phillips said, "It will be up to the campus to deliver the charge. There are some guidelines in the Executive Order, but it is up to the campus president to give the charge to the advisory group. I think it is going to be fairly broad." President Whitmore said, "I would agree with that, and certainly the faculty members that are involved need to be recommended through the Senate process."

Senator Van Selst asked, "Did the failure of the XAP (software doing admissions), in terms of Freshman admissions, have any effect on us?" Senator Phillips said, "There were 2 days during the entire academic year when the CSU Mentor system was down. There was no extension of the November 30, 2008 deadline to accommodate that."

Senator Van Selst asked, "Is there any way to hold the high school students harmless from the failure of their school to get out transcripts in a timely manner?" Senator Phillips said, "I don't know."

Senator Phillips commented, "One of the things being planned is taking the narrow window between July 15th when the final transcript is due, and roughly August 10th which can be thought of as a drop dead day for doing what I'm about to say, to review the applications to see if the applicant still meets the eligibility criteria. For instance, a student may self report that they are going to get a "C" in this class and maybe they do, and maybe they don't. This campus has never before had an early enough deadline to even make it possible to review the applications and rescind the admission of those that fail to qualify because of their last semester of work. There are other campuses that have taken students out, even after they have moved into the residence halls, that did not meet all the admissions requirements."

B. SJSU's 2008/2009 Budget Report –

Senator Rose Lee, Vice President of Finance and Administration, gave a presentation on SJSU's 2008/2009 budget. (Slides attached)

Senator Lee said, "This is a very unusual year in that we are halfway through and we still don't know the amount of money we are working with. We've had major reductions before, but we have never been at a point where we've had so much uncertainty. As you may know, the Trustee's budget for the next fiscal year has been submitted and normally in January the Governor's budget would come out. I would have to say that with the uncertainty of the 2008/2009 budget, I do not know with how much certainty we can take the Governor's budget, even if it is released on January 10th or 12th, because the starting point for the next fiscal year's budget is the prior year's budget."

Senator Lee said, "I have a powerpoint that summarizes what I am going to say today. I invite you to send questions if there is not time today. I would also like to thank my staff, particularly Becka Paulson."

Senator Lee said, "I am going to refer to page iv. At the time this went to print, we had just found out about the \$33 million reduction to the CSU. We did not have time to make any changes to what I am going to show you. At that time, we did not know whether that was a one-time or base reduction. We did know the amount. Our campus's share of the reduction was \$1.86 million and that is referred to in the letter, but not in the numbers. I will be sure to point this out.

On the following page, v, there is a summary of what I am going to go through. Then the next pages, 1-4, show the budget process and I am not going to spend much time on this. On page 5 there is a summary prepared by Dr. Rona Halualani on Vision 2010. Throughout this fiscal year, Dr. Halualani will be presenting detailed reports on our progress towards attaining Vision 2010. This is not something I am going to go over today.

Where I will start is on page 6. I will spend some time on the CSU Operating Fund, also known as the General Fund, then I am quickly going to go through the Revenue and Auxiliary Funds. You can see the split between what comes from the General Fund at \$167 million and our fee revenue. We had a decrease in the General Fund, and an increase in student fees. The state university fee increased by 10%. In fact, if that had not happened, we would have had a budget reduction. When the legislature passed the final budget, there was a \$2.8 million reduction in the General Fund accompanied by a 10% increase in the state university fee, essentially leaving us with a flat budget. I will go through several pages where you can see that.

Last year we had a \$267 million budget and now we have \$281 million. However, the reclassified revenue shown is not new revenue. It is something that is being required of all CSU campuses. We are being asked to reclassify some funds that we had in trust as being part of the CSU Operating Fund, so you have to subtract out this \$5.6 million to get to our increase.

About two fiscal years ago, the university decided to permanently allocate \$1.9 million of lottery funds. This has become a part of our base. That base funding went for academic programs.”

Senator Lessow-Hurley asked, “When money is reclassified is it still constrained the way it was and this is just for bookkeeping purposes?” Senator Lee said, “That is correct.

I’m going to go to pages 9 and 10 now. What you are looking at is the CSU Operating Fund. Last January we were given notice from the Chancellor’s Office to expect a 3% budget reduction. We made plans for that. Essentially, that was a \$6 million reduction distributed between the university divisions. We had to come up with where we would reduce then we waited for the final budget. When the final budget got signed we were told there would be no base reduction. We then passed back to each of the divisions their share of the \$6 million. However, within 6 weeks, we were once again told there would be a reduction, so we went out and collected the \$6 million back again. If you are looking at page 9, that \$6 million is the third line down, which is the 08-09 CSU Operating Fund net increase. At some point, when we were told you will have a 10% fee, we thought we would get enough money to offset the reduction. That’s why, you may recall, they were saying when the final budget got passed, we have a flat budget. We made plans and the allocations went through. Now these allocations that I’m going to go through with you still went out to these programs. What happened was that each division came up with their share of the reduction, but these allocations still held. Now the senior team at that time was led by President Kassing. When President Whitmore came in we thought we had a flat budget and we did not make changes to these allocations.

Very quickly then, we realigned the benefits pool and moved \$1.5 million out of that pool to be available for allocation. There is a small \$102,000 adjustment that I won’t spend any time on. There is that \$6 million coming in from the fee increase. Then there is a \$1.3 million transfer. We had a general fund reserve of \$2 million, a base reserve. We made the decision to transfer \$1.3 million out, because we thought we had high enough priority projects. We then added \$2.1 million, I’ve already talked about this, which reflects a permanent increase in non-resident fee collections and application fees. Then there was a small \$72,000 adjustment that I won’t go into.

In the one-time column, we had unexpended benefits of \$5.2 million. That one-time leftover at the end of the last fiscal year was large enough so that we went back and recalibrated how much we needed in the benefits pool. This is a result of two things. We had .5% more than we needed, so we reduced our budgeted staff benefits rate from 35% to 34.5%, and also not every single budgeted salary dollar is expended. There is turnover and a number of reasons that happens. We thought we could tighten up the benefits pool and we did, but last year we did have \$5.2 million left. Then all the central balances gave another \$4.5 million. Last fiscal year we were 6.6% over-enrolled, so the state university fees from the over-enrollment were not spent and we dropped it to roll-forward to this year. If we hadn’t, we would have had even a tighter budget. Then we had \$900,000 left over from the International and Extended Studies (IES) budget, and \$200,000 from lottery. This is because most of the lottery, \$1.9 million, has been spent as base elsewhere. That gave us \$11.2 million in base and \$10.8 million in one-time for a total of \$22 million for allocation.

The next category is uses of funds. For the category called Mandatory Externally Required, \$19.4 million went out. I don't have that on a powerpoint. I'm not going to go through every single line item, but I do want to point out some important items. The very first one is \$4.3 million that had to be transferred into the salary pool as base. That reflects the general salary increase given to CFA for which we have been given no budget. If you look at the resources above, you can see that the biggest piece of our \$11 million base came from state university fees. The next big item is the \$1.4 million in our benefits pool that reflects a health premium increase. Health premiums increase in January of each year. This base adjustment is for last year's premium increase that became permanent in July. We have another one this January. If health premiums go up again, the campus will have to cover that on a one-time basis.

Next, there was a utility shortfall. We will be tracking utilities very carefully at mid-year. It is hard to tell with gas prices rising as high as \$144 a barrel and then dipping to below \$40 per barrel. There are some other adjustments that I won't spend time on unless someone has some questions.

Next, there are the one-time expenditures. The \$700,000 goes to cover the January 2009 health premium increase. Almost \$2.7 million was for enrollment instructional funding. We knew that when we distributed the \$6 million reduction to the divisions, the Academic Division's share was over \$4 million. In the enrollment information that Senator Phillips showed you, we are required to serve 22,460 resident FTES. We received a reduction of \$6 million to our base, but we did not receive a reduction in our budgeted FTE. We had to backfill the Academic Division \$2.7 million just to serve the budgeted FTE. The next line has the \$5.9 million. That only reflects the salary dollars at the low budgeted rate to meet the over-enrollment. This is the over-enrollment that Senator Phillips referred to as possibly being as high as 14.5%. We don't know what it is going to be right now, and it is possible this number is going to go up. This \$5.9 million does not reflect any benefits cost for the part-time faculty. We are hoping the staff benefits pool has enough money to fund that. We will not get \$5.2 million, so I have already moved \$1.5 million, and we haven't funded the matching benefits to serve the over-enrollment. I'm going to pause here for a minute to see if there are any questions on this \$19.4 million allocated for mandatory. [There were no questions.]

On page 10, the next category is Continuing and Previously Approved. We needed to fund a reserve, and we put in \$900,000. Typically, we put \$2 million in a one-time reserve.

Next, we are in our third year of the Comprehensive Campaign. We allocated \$2.2 million for previously approved projects, e.g. funding development officers.

The next category is Allocations to the Divisions. These funds are for special projects. I believe in the Academic Division it included some non-resident advisors. We have a large number of non-resident students, and we really do owe them advising. There are projects behind each of these. If you need more detail, I can send it to you.

The strategic planning requests are from the University Planning Council (UPC). These projects are listed in footnote A. It is not my intent to go over those today. Dr. Rona Halualani is

preparing some pretty detailed reports and will talk about the accomplishments in each of the UPC projects.

Let me bring you to the Total Sources less Uses. This is very important. That is a negative number there, a negative \$3.3 million. The funding for our over-enrollment, which is \$2.7 million plus the \$5.9 million, is causing this deficit. We cannot spend deficit for the state, so what we are going to have to do is take some of our state university fee that we are collecting from the students and use it for this year. If you look back on the revenue line, the \$4.5 million came from last year. Last year we did not spend our excess state university fee, but this year we will have to, at least up to \$3.3 million. This is a pretty serious budget situation. We have been told by the Chancellor's Office that the \$97 million reduction this year will be permanent, and that in January we will be told to start with a base that is reduced by \$6 million. That is with no adjustments to our budgeted FTES, and with no consideration if there is a further reduction to our base for 2009/2010.

On page 12, you'll find the numbers that go with these percentages. What it does is take all the budgets starting with the CSU Operating Fund, other student fees, housing, revenue, and campus auxiliary funds, and divides them into the appropriate division to give you percentages.

\$281 million in the General Fund is a pretty big amount, but if you look at where our other categories are, we have over \$70 million in revenue funds, \$123 million in auxiliaries, and \$10 million in other student fees, for a total of \$486 million. If you look back to last year you will see that we had \$521 million. The difference is that we did not include federal financial aid of \$28 million, or our minor capital outlay. There has been a re-categorization of what an operating budget includes, and we are not able to move that money to be spent in any other expense categories, so we took it out of our expense budget. We made a format change, so going forth from this fiscal year you will be able to track next year's report.

What I have in front of you now are the revenue funds. These are all self-supporting. The most important thing I want to point out is that there has been a report that the CSU System and our campus have huge balances, so the question is why can't that money be used for a number of things like faculty salaries? The answer is that most of these funds are restricted. We cannot take parking funds and spend them for anything else. We can use housing and IES funds. However, IES funds must be spent on an academic program. It is kind of a moot point to take any funds from housing, because as Senator Phillips stated we have over a \$14 million mortgage payment. With enrollment impaction, we are a little bit fearful that we will not fill all our spots in our housing program. Regardless of whether we fill them or not, we still have to pay that \$14 million."

Senator Langdon inquired as to where the funds from donations were listed? Senator Lee said, "That money is in the next category of auxiliaries. However, typically the money from endowments is restricted. They won't let you use it for general operating expenses. They are not considered general funds."

Senator Heiden inquired as to whether the parking fees just continue to roll forward every year. Senator Lee replied, "Yes, they do. Let me just run through the fees. Students and MPPs pay

\$42.50 a month in parking fees. All other employee parking fees are governed by bargaining unit agreements. The numbers look high, but parking is a capital intensive program. The thought is that we have always been short of parking on campus. The fees are to build up a fund to do something about parking. The problem is that it is a very slow process. We contribute anywhere from \$.5 to \$.75 million into that fund each year, and that fund has been rolling forward for a number of years. We are hoping to have enough money to build a new parking structure, but right now we don't have enough money, and we are not sure we are going to get there. There is a limit on how much we can increase parking per CFA and CSEA bargaining unit agreements.”

Senator Heiden inquired as to whether we would still be getting a new Student Health Center? Senator Lee said, “As a matter of fact, Senator Phillips reported on this at a prior Senate meeting. We are in the process of planning, and will be building a new Student Health Center. Part of what you see is the saving of student fees for these purposes. Pretty much these are restricted balances.

The next items include the auxiliary funds. The difference between an auxiliary fund and a revenue fund is that an auxiliary is a separate incorporated organization. It is related to the university, but under the law it is a separate organization. We have five of them, and they include Associated Students, Research Foundation, Spartan Shops, the Student Union, and the Tower Foundation. The Tower Foundation balance reflects their endowment fund. The Research Foundation balance reflects their grants and other sponsored projects. We thought it was important to show you the annual budget and what was rolling forward. When you see the CSU and university financial reports you see a lot of money, but all of that money can't be used for operating expenses.

Senator Parrish asked, “Does the balance shown for the Research Foundation include actual or potential funding?” Senator Lee replied, “That number has been adjusted downward at the beginning of this fiscal year to reflect the unrealized capital. It is basically the reserve money.”

Senator Buzanski commented, “There seems to be a disconnect between what you have here on your chart and what you have on page 35 regarding the Tower Foundation budget. Basically what you have on the Tower Foundation budget is a total revenue of \$28 million, and then you look at the bottom and it has an ending fund balance of almost \$107 million.” Senator Lee said, “That is because we add it back in for a total of \$107 million.” Senator Buzanski asked, “Where is that money coming from?” Senator Lee said, “The \$28 million is identified on page 35 as coming from endowment gifts and pledges, and the \$90 million is a prior fund balance and reflects what is already on the books, mostly as endowment.” Senator Buzanski said, “The foundation has only been going a few years, where did you get the \$90 million?” Senator Najjar said, “\$65 million of that is in endowments, the rest of it is money that's available for specific academic programs like the College of Business Graduate Program, the Honors program, etc. and is not for general use. I would say 99% must be used for specific programs.”

Senator Lee said, “The last category is Student Fees. IRA fees are restricted, and are allocated out by an IRA committee. Student course fees are individually proposed by colleges and departments, and these fees are restricted as well for a total of \$10 million. When you put all of

these categories together that gives us the \$486 million operating budget. Again, we took out the \$28 million in financial aid, and our minor and major capital projects.

We did not receive any money for minor capital projects or renewal this year. The situation was so dire at the state level, that they did not put a general obligation bond on the ballot in November. Therefore, no CSU campus got any major capital funding. I believe President Whitmore alluded to this earlier that should there be an economic stimulus program at either the federal or state level then the CSU has made a bid for the funding. We have a project that is very high on the list. It would have been funded this year had there been a general obligation bond. That is our SPX building which needs renovation and seismic retrofit, and is one of two buildings without air conditioning. It is our bad luck this year. It has taken us many years to make it to the top of the list. Each CSU Campus is allowed to propose one project. About 6 to 8 projects are funded annually by the CSU. It took us about 3 to 4 years to get our project up to the point where it would be funded, and then it turns out this year there is absolutely no funding. We have also been warned that they do not expect to put a general obligation bond on the ballot for 2009/2010. This is something we are very disappointed about.”

Questions:

Senator Buzanski asked, “On page 13, I’m a little disturbed and I wonder if you have a good answer for this question. There is a comparison here for five universities including our own, and we have the lowest percentage of student grants and scholarships of any of the five. There are some universities that have almost twice as much as we do, and I’m just wondering if you have some explanation for that disparity?” Senator Lee said, “I don’t, but I can try and find out. It is always difficult to try and do a comparison, because I’m not sure each of the campuses accounted for it in the same way. I’d like to say that if we show \$19 million, it does not include our federal scholarships which total over \$20 million, that could explain it. We take this information off of the CSU reports. I will ask the Chancellor’s Office to do a drill down for us.”

Senator Van Selst asked, “What is our current expenditure on Athletics? I know at one point in time we had written off approximately \$1.2 to \$1.5 million from Athletics as bad debt. We then instituted an Athletics fee, and it seems Athletics is carrying a surplus today. What percentage of the overall general fund and university budget are we currently spending on Athletics?” Senator Lee replied, “First, let me point out on page 22 what Senator Van Selst is looking at. Athletics had a prior year fund balance. However, you have to remember a prior year balance doesn’t mean that money is totally unobligated. Under accounting rules, if you have it encumbered it still shows up in the fund balance. This does not mean Athletics had \$1.5 million unobligated in cash at the end of the year. Going back to page 12, Athletics funding is \$6.2 million out of the \$281 million. I think that is 2.2%.”

Senator Van Selst asked, “With the now not to be renewed alcohol sponsorship, what impact will this have on Athletics?” Senator Lee said, “I think we have one more year. I do not know the exact revenue from this. I can find out. However, I can tell you that Athletics took their proportional share of the \$6 million reduction.”

Senator James Lee asked, “You brought up revenue that we can’t touch. Is this by law, or policy, etc.?” Senator Lee replied, “I want to say it is a combination. Obviously, grant research funds we can’t touch, and I believe the parking restrictions are in some CSU code. What is available, but we don’t have any funds to allocate out, is excess revenue from housing and we already reallocated our IES budget. Funds from other auxiliaries could be given to us, so you are looking at Associated Students and the Student Union fees, but I have not heard of them being used for anything but student functions. Associated Students is one of those areas where any fee revenue has to be approved by referendum. They voted these fees in. The referendums limit what the fees can be used for. The Student Union again is a student fee that is mandatory and imposed on every student and probably restricted to the use of those buildings as well. All of these auxiliaries have boards of directors and any approval of expenditures outside the traditional would have to be approved by the board.”

VIII. New Business – None

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

A. Associated Students President – No report.

B. Vice President for University Advancement – No report.

C. Statewide Academic Senators –

Senator Van Selst commented that he had finished the minutes from the November plenary and had sent them to Senators. There were three resolutions considered. The first was on CSU Systemwide Impaction, the second was about bargaining reopeners, and the last was on the Lower Division Transfer Project. In addition, there are two resolutions coming up on budget advocacy.

D. Provost –

The Provost announced that all candidates for the position of Dean of the College of Applied Sciences and the Arts have been interviewed. The Provost is reviewing all documents and hopes to make an offer in the near future. The Provost reported that AVP Robert Cooper has decided he would like to return to the teaching faculty effective Fall 2009. The Provost will be conducting a search for a new AVP of Undergraduate Studies. The Academic Senate Office will be sending out the call for nominations for the search committee in the next few days. The Provost thanked the Senators for their hard work, and wished them happy holidays.

E. Vice President for Administration and Finance –

VP Lee gave an update on campus emergency procedures. Less than 50% of faculty and staff have signed up for Alert SJSU. We are paying per head so VP Lee would like Senators to encourage their colleagues to sign up. In addition, we are entering step 3 of the emergency plan during which all buildings on campus will be rekeyed. Instead of having a metal key, the buildings will have a card key. The first building to get the card key will be Duncan Hall. This new card key system will allow UPD to determine if a

door is being propped open. Last year a homeless person was found living in one of the labs as a result of building doors being left propped open over the holidays. VP Lee asked Senators to ensure all building doors were closed if they were on campus over the holidays. Departments are encouraged to review which personnel really need the card keys, and to limit access to only those that are required. Senators were reminded that most SJSU buildings are opened by the UPD at 7 a.m. VP Lee noted that Senators should not toss out their metal keys until they were told to do so.

F. Vice President for Student Affairs –

VP Phillips thanked Senators for their hard work, and wished everyone happy holidays.

X. Adjournment – The meeting adjourned at 4:55 p.m.