I. Welcome and Introductions
McDaniel called the meeting to order at 9:00 a.m. She welcomed everyone and thanked them for making time to attend this joint meeting. Introductions were made around the table.

II. Discussion of the Report from Academic Affairs Ad Hoc Budget Committee
Cutrer and McDaniel thanked the members of the Ad Hoc Budget Committee for spending 40+ hours of time in intensive meetings to analyze data and prepare the report, plus additional time and effort expended on the project outside of meetings. The report was distributed electronically via email attachment last Thursday, October 1st, so that members would have time to read the report to prepare for this morning’s discussion. Today’s meeting will be devoted to hearing from as many participants as possible.

Members of the Ad Hoc Budget Committee provided some background information:
- Report focuses on implications rather than numbers. An accompanying spreadsheet will be distributed after the discussion.
- Expert witnesses were invited to meetings to provide data and information.
- The data was analyzed and the report prepared based on a division and university perspective rather than solely chasing dollars.
• While the charge was to prepare a report regarding the FY 2009/10 Academic Affairs budget, members were keenly aware of implications to FY 2010/11, and even FY 2011/12, relative to sustainability.
• The committee analyzed the data that was provided to them and the budget reduction scenarios proposed by unit managers in July; the committee did not explore nor recommend alternative reductions.

Meeting participants offered feedback on the report; some comments included:

• $1.275M reduction for Academic Affairs in FY 2009/10 is a fiscal reduction; reductions in FY 2010/11 will be permanent.
• $1.2M division structural deficit covered by one-time funds in FY 2009/10 using the division’s positive carry-forward balance from FY 2008/09 and funds from the College of Education. The structural deficit needs to be addressed next year.
• School of Nursing (SoN) moved three programs to self-support through Extended Learning prior to the FY 2009/10 budget reductions.
  - Concern was expressed about the likely future need to convert items currently supported by external funds to State support funding.
• Division presentations will be made at the next University Budget Committee that will include, among other things, a report on FY 2009/10 reductions and how the reductions have impacted each division.
• FY 2010/11 reduction to the University’s/Divisions’ budget is unparalleled.
• Extended Learning is a self-support operation, and as such, is not included in the Ad Hoc Committee’s report on State funded operations.
  - Consider what role Extended Learning might play in offering programs.
  - Extended Learning is mandated to return funds to each division.
• “Everything is on the table” as the division plans for FY 2010/11.
• Senate advocates that the “Academic Affairs Restructure Task Force Final Report” submitted last spring be used as the basis for a division policy to guide any organizational changes.
• Some edits were recommended in a few areas of the report and those revisions will be made prior to distribution of the report to division faculty and staff.
• Discrepancies in accounting/reporting methodologies for faculty workload needs to be addressed.
• Concern was expressed about how information in the report might be perceived by those less familiar with Academic Affairs operations and budget or members of the external community (once the report is posted on the division web site).
• Current enrollment figures indicate that the campus will achieve the FTES target for AY 2009/10 rather than exceed or fall short of the target.
  - Message from Chancellor’s Office is that it will collect from campuses student fees associated with enrollment in excess of the FTES target.
  - Concern was expressed about the composition of the San Marcos student body and distribution of FTES between lower division, upper division and graduate level students and the relative cost for supporting each level.

Watson distributed a spreadsheet that reflects the data in the report. It was agreed that the report presented the information clearly and it would be unnecessary to publish the spreadsheet with the report.

III. Next Steps
Cutrer facilitated the discussion about next steps:

• Distribute report (edited/corrected version) to Academic Affairs employees today with cover letter from McDaniel and Cutrer.
• Cutrer will make final decision about FY 2009/10 allocations to Academic Affairs subdivision units. She will consult with and inform unit managers and will apprise McDaniel about her decisions.
• An Academic Affairs Town Hall will be held next Tuesday, October 13th, from 4p – 5p, and the topic will be the budget.

• Looking forward to FY 2010/11:
  o Managers have been asked to examine unit budgets relative to possible budget reduction scenarios.
  o The division will engage in collaborative discussions to the extent possible.
  o The President has charged UBC charged with submitting prioritized recommendations for 10% reductions in permanent funds and 5% reductions in fiscal funds.
    ▪ Expectation is that this will produce a list of proposed reductions in excess of what will actually be necessary.
    ▪ Prioritizing proposed reductions allows flexibility to implement to the level that corresponds with the final University budget allocation.

IV. Adjournment
McDaniel thanked everyone for a meaningful conversation and adjourned the meeting at 11:11 a.m.

Submitted by
Marcy Boyle, Assistant to the Provost and Vice President for Academic Affairs
Staff to the Academic Affairs Leadership Council