

Academic Senate Minutes

November 9, 2007

3:00 – 5:00 Commons

Abstract

Chair Report. Approval of Agenda. Information Item: K. Crabbe response to the Senate resolution on the Center for Gender and Cultures. Update on WASC. Provost Report. Continuation of Budget 101 presentation – L. Furukawa-Schlereth. Second Reading Cost Sharing Policy – Postponed to next meeting.

Present: Elaine McDonald-Newman, Tim Wandling, Elizabeth Stanny, Edith Mendez, Sam Brannen, Carolyn Epple, Birch Moonwomon, Michael Pinkston, Steve Wilson, Kristen Daley, Elizabeth Martinez, Robert Coleman-Senghor, Robert Train, Thaine Stearns, Noel Byrne, Steve Cuellar, John Kornfeld, Raye Lynn Thomas, Tia Watts, Murali Pillai, Rick Luttmann, Wanda Boda, Sandra Feldman, Steve Orlick, Glenn Brassington, Melinda Milligan, Scott Miller, Sandra Shand, Marguerite St. Germain, Ruben Armiñana, Eduardo Ochoa, Jarrod Russell, Eric Halstrom, Lane Olson, Mary Halavais, Doug Jordan, Carlos Ayala

Absent: Robert McNamara, Catherine Nelson, Virginia Lea, Cora Neal, John Wingard, Art Warmoth

Proxies: Victor Garlin for Liz Thach

Guests: Ian Hannah, Carol Blackshire-Belay, Rose Bruce, William Babula, Elaine Leeder, Elaine Sundberg, Jim Robertson, Katharyn Crabbe, David Abbott, Joshua Schulz, Toni Apolloni

Chair Report – E. McDonald-Newman

The Chair gave an update on Strategic Planning. She said the University Strategic Planning committee is coming up with initiatives for the identified strategic areas. Her idea for the University Spring Convocation is to have an active discussion/feedback on those initiatives. The good news is that the initiatives coming forward from the working subgroup on academic quality spring largely from the planning document the Senate passed last year, the Core Academic Priorities. It's good to see that the initiatives are going forward to the committee, however, the committee has not approved them yet. The bad news is that it is becoming clear to her that there are no resources for any of these priorities or any new initiatives that might be done. It is partly due to the budget cuts the CSU has hit our campus with over the last decade and it is also due to the strategic decisions that have been made by the administration. For whatever the reason, this is the situation we are in. She suggested that faculty need to start having a discussion about whether the level of work that they are currently doing is adequately funded. If we find that it isn't, then we need to discuss how to pull back on the extra activities we do for free. Above all, we must protect our students and we must protect ourselves.

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She thought it was a complicated discussion about what we are currently doing that we won't do, and it should be started. She read from the CFA MOU Article 20, Section 3: "Members of the bargaining unit shall not be required to teach an excessive number of contact hours, assume an excessive student load, or be assigned an unreasonable workload or schedule." Many of those words are not defined, but perhaps we can come to agreement about what that article means. She invited the members to bring the conversation back to their Schools and to decide if what we do is unreasonable and how to bring that workload back to reasonable, if it isn't. She welcomed feedback. She asked to have the conversation brought back to the Senate by the end of the semester and to come to some conclusion. She recommended that if we don't have adequate resources, we need to pull back until those resources are committed to nurturing a quality academic environment. There was applause. The Chair thanked the body, and stated that she was hearing this from many faculty at the university. She then welcomed the new student representative, Eric Halstrom.

Approval of Agenda – Approved.

Minutes of 10/26 were not distributed in time for approval at this meeting.

Information Item: K. Crabbe response to the Senate resolution on the Center for Gender and Cultures.

The Chair thanked K. Crabbe for responding to the Senate resolution even though she could not do what the Senate asked.

Update on WASC – R. Bruce

R. Bruce said the Steering committee is talking about what is good evidence and do we have adequate evidence to support what we are saying on the CFRs (*Criteria for Review*). She thought they would be able to share their work on the CFRs in the Spring.

Provost Report – E. Ochoa

E. Ochoa reported that on November 11th there will be a world premier of a new opera commissioned by the Sonoma City Opera about the life of Jack London called Every Man Jack in our Person Theater. It includes the internationally acclaimed baritone Rod Gilfry and composer Libby Larsen. This is a world-class production and will help put Sonoma State on the map. He gave details for obtaining tickets.

It was asked if there was any change in enrollment targets for next year.

The Provost responded that there was a small change downward. He said that the State has decided not to provide marginal cost funding for non-resident enrollment. It became clear that such enrollment was being double funded. So now they are focusing on resident enrollment targets. We have been given a target of 7500 FTES.

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Continuation of Budget 101 presentation – L. Furukawa-Schlereth

Housing	\$ 14,572,287	8.0%
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Resources are restricted to the SSU Housing Program.

The campus is reimbursed for overhead costs.

Housing has outstanding debt of \$138 million with annual debt service payments of \$5.1 million.

\$70,000 in rental fees associated with SRB-1 annual debt service obligation for the Green Music Center Hospitality Center.

Questions about the Housing fund

It was noted that in the '05-'06 budget that the Housing debt was \$138 million and one-third of the Housing budget goes to servicing that debt. Adding on the additional debt and extrapolating the interest proportionally, it would seem that the university is using 4% of its budget to service the Housing debt. What other CSU campus devotes as much of its budget to servicing a housing debt as SSU?

L. Furukawa-Schlereth said that for institutions such as SSU that are relatively young and residential, it would not be unusual. He could not think of a campus to compare SSU with that is near the same size and residential.

How does the urgency that we have to fill the residential halls tie into the increased SFR?

L. Furukawa-Schlereth said it has no relation to SFR. The reason SSU moved to a residential population is to maintain target. The local and regional high school population has declined, so to maintain target we have to recruit on a statewide basis. Given the nature and style of our campus, as a liberal arts and sciences institution, students at the first time freshman level tend to be women. Parents of young women tend to want their children to live on campus in their freshman and sophomore year. Target is set by the Board of Trustees and has no relationship to SFR from a housing perspective.

Is it more expensive to be a residential campus? If so, are we trying to get ourselves out of debt by growing?

L. Furukawa-Schlereth said that it was a good question and he wasn't sure he could answer it, but he had some comments. Residential students tend to be full time students. As a residential campus we will have a higher FTES and a lower headcount. So the costs might be lower since there are less actual people. However, as Student Affairs folks know, this kind of student population tends to be a bit more needy and more demanding of student services because they are here. Also, since they are here

they are more engaged in commercial activity, which helps Enterprises. In any case, it has become a necessity for us to be residential to make target. He noted that Housing does reimburse the university.

The Provost offered an example of a campus which requires a high head count for the same level of FTES and the costs associated with their campus.

Extended Education	\$ 4,153,846	2.3%
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The campus is reimbursed for overhead costs.

Annual debt service obligation of \$400,000 associated with SRB-2 for the Green Music Center.

L. Furukawa-Schlereth said that this is a small fund comparatively. They receive their funds from intercession, summer school and any classes they offer during the traditional academic semesters. It has grown quite a bit since 1992. It has been a major source of support to the five Schools and the Library for basic operating expenses. Around \$500,000 net is produced each year and given to the Provost who then distributes it among the Schools. This particular fund has been a major source of new revenue for the Schools. The more a School is involved in self-support services the more they share in the return. This fund has some major challenges. The first is that we are out of the summer school business. Summer school represented 20% of Extended Education's business. L. Furukawa-Schlereth is working with the Dean and his staff to help the fund move into new cost centers. The second is increased competition. The fund has new debt service linked to the system-wide revenue bond for the Green Music Center. They will be presenting a business plan to address these challenges to the President's Budget Advisory Committee on November 16th. They do not want to decrease their contribution to the Schools and they need to be able to service the debt.

Questions

It was noted that two years ago Extended Education had to give back pay to faculty for teaching summer school. At that time, the President said they would be broke. How is it they can take on this new debt service?

L. Furukawa-Schlereth said the liability for back pay was around \$1.5 million and the campus was successful in getting a grant from the Chancellor's office of around \$1 million. They have also been having good years. Last year they made about \$900,000 and the year before the same. They are in a fairly solid position. If they had not gotten the grant, they would have been in a very different position.

The Provost was asked how he determines where the Extended Education money goes.

The Provost said that it is based on a formula and depends on the activity of each School. It does not stay in the Provost's office. He said the total has been about \$428,000 for distribution. He gave the amount that went to each School and the Library.

A member asked about the Life Long Learning Program.

L. Furukawa-Schlereth said the Life Long Learning Program is very fortunate to have received a million dollar donation and another million is coming. This may replace the income from summer school. The senior population is growing in Sonoma County. SSU may benefit from servicing this market. The President said there is an intended consequence of the Life Long Learning program. Many of these people have acquired substantial estates and are potential donors. Several of them have committed millions of dollars to the university where before they had no relationship at all with the campus.

Is our Osher Life Long Learning Program the only one in the CSU?

L. Furukawa-Schlereth said no, there are other Osher Life Long Learning Programs in the CSU. It was clarified that all donations derived from the participants of the Life Long Learning program were for SSU only. The President said SSU was the only campus that has received such magnitude of support, in the millions of dollars, from the Osher Foundation.

A member asked why the contribution from Extended Education to the departments has declined.

L. Furukawa-Schlereth said it has not declined in his sixteen years here. He said this fund is major source of funding for Academic Affairs. Consultation takes place in the Academic Affairs Budget Advisory Committee. He spoke about other universities that have Extended Education programs and the importance of this fund for strategic planning. He said it was a fund to watch closely and encouraged the Provost to invest in it as it should produce good returns. Adult Education is a growing business. There is a lot of opportunity and market there. The GMC is great venue for that. If we play our cards right, Extended Education could do very well.

Parking	\$ 1,763,731	1.0%
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Resources are restricted to the SSU Parking and Alternate Transportation program.

The campus is reimbursed for all overhead costs.

Parking has outstanding debt of \$13 million with annual debt service payments of \$630,000.

L. Furukawa-Schlereth said this is his favorite fund. He noted it is a relatively small fund. Most of the money comes from student parking permits. Staff and faculty pay a small piece to this fund - approximately \$200,000. Money from parking fees (tickets) also goes into this fund. The fund has restrictions on it, as it has debt. The \$13 million was used to build parking lots L, M and N and the new entrance on the north part of campus. Parking funds are restricted to issues related to parking, including roads and

alternative transportation. Funds can be spent on the administration of parking fees and if there is any money left over, it has to be spent on alternative transportation. Bike racks would come out of this fund as well as lighting for the parking lots. The prices that are charged for parking have to be discussed with the Fee Advisory Committee. Parking fees for represented employees are bargained. There are different fee structures for particular bargaining units. It does reimburse costs it may incur from the General Fund.

Questions

| With whom do we have the covenants, to restrict the parking fund?

L. Furukawa-Schlereth said the covenants are with the bond holders and the students. With the students, it is an agreement not to use their fees for anything else.

Who holds the bonds?

L. Furukawa-Schlereth said the general public that purchases the bonds through the statewide revenue bond program.

| A member posed a general question about debt service. Since all the borrowing is done from the CSU level, then the covenants must be at the CSU level. How do these covenants filter down to our campus?

L. Furukawa-Schlereth said it used to be that a particular bond issue was associated with a particular campus and so were the covenants associated with it. Now that they have instituted the system-wide revenue bond program, the covenants are more general.

| A member asked, isn't it true that parking money was spent to purchase the land for the Green Music Center?

L. Furukawa-Schlereth said no. It is the case that parking did purchase the land for the parking lots L, M, N and O that are near the GMC. The GMC site money was borrowed from the Foundation.

The member followed up by noting that parking fees were doubled a number of years ago, except for faculty, and asked what that increase in revenue was spent on.

L. Furukawa-Schlereth explained how the debt of \$13 million was agreed to by the student leadership at the time to increase the parking capacity of the campus to meet 10,000 FTES.

A member asked that after servicing the debt, it looks like the fund has \$1 million dollars left a year. Does the fund reimburse salaries for the parking people and for electricity, shrubbery, water, etc?

L. Furukawa-Schlereth said yes.

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The member followed up by saying, if we don't need more parking would that \$1 million just sit in that fund?

L. Furukawa-Schlereth clarified that \$600,000 is servicing the debt which leaves approximately \$1 million for the fund. \$350,000 is for salaries and benefits and there are a variety of issues that also are a cost to this fund.

The member asked what does the fund clear? L. Furukawa-Schlereth said it clears nothing. He noted that on page 102 in the budget book, the body could see all the expenditures for the parking fund. He said in some years it may clear \$15-20 thousand and with that they work on the lighting.

It was clarified that the money deposited in the parking fund received from parkers does service the debt. The somewhat increased revenue from the GMC will help with the inflationary costs and so we will not need to raise fees for some time to come. He said that the SSU parking costs were low systemwide.

Instructionally Related Activities	\$ 2,778,321	1.5%
Resources are generated via a mandatory student fee for the Instructionally Related Activities (IRA) program.		
Budget recommendations are developed by the Fee Advisory Committee.		

L. Furukawa-Schlereth said that the IRA fund is a growing fund and should be of interest to the faculty. It was established by the Education Code many years ago and the activities are supposed to be related to, but not essential for, instruction. It has to have a faculty advisor, it has to be attached to a class, and it has to offer experiences that will augment what is happening in the classroom. Examples are the Center for Performing Arts, Project Censored, the Athletics program and so on. The students passed a referendum for this fee. It is one of the highest fees in the system. The Fee Advisory Committee makes recommendations to the President. The Associated Students President co-chairs the committee. They receive requests for IRA status and funding. As enrollment grows, this fund will grow. This fund can be very helpful for instruction. He brought the Senate's attention to it as he believed the fund was open for proposals. It was clarified that the FAC would accept IRA status requests currently and later be open for proposals. It's been a life saver for programs in the Arts and Humanities.

Questions

A member asked to continue a discussion that began on Senate-talk regarding borrowing from this fund for the GMC organ. What are the statutory regulations for borrowing from this fund? Was such a loan discussed by the Fee Advisory Committee? How does it happen that this fund has enough money to make a loan of \$300,000 for five years?

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L. Furukawa-Schlereth said all the funds that he was talking about can be borrowed from due to legislation passed about seven years ago with the following rules: never borrow from the General Fund; the General Fund can borrow from other funds; the loans are to be of short duration, not to exceed five years; interest has to be paid on the loan; the loan is due immediately on demand. The loan was not discussed in the Fee Advisory Committee because it is not within their purview to manage investments. It is up to him to make sure the loan provides ample interest to match whatever they would earn on their fund balance. It is prudent practice for the self-support funds to have a reserve of funds. It is hard to exactly predict how much money will go to the fund based on enrollment. On occasion, the predictions have been low or conservative and actual revenues have been higher. Every once in a while the Fee Advisory committee looks at their reserve and if it is getting too high, in consultation with L. Furukawa-Schlereth, they will make a one-time allocation to a program or programs. This is the case with the organ, however, the reserve is now depleted. It will be paid back in five years. Should the fund get into a problem, it will have to be paid back. He also said they may get some money from the CSU lottery funds for instructional equipment to help pay for the costs associated with the organ. He then digressed to discuss inter-fund borrowing.

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It was asked if a proposal could be put into Instructional Activity to reduced SFR.

L. Furukawa-Schlereth said that no, the IRA fund was supposed to be used for enhancing instructional activity, not replacing the function of the General Fund. He said the students who participate in the activities funded by IRA have tremendous experiences – Project Censored, the STAR, Detour Sonoma are all IRA funded.

The President said the campus tried to initiate a fee to help reduce SFR, but it was defeated. He said that such an approach is no longer available.

L. Furukawa-Schlereth said other programs funded by IRA include extended library hours, the Children's School and aspects of Educational Technology.

Is the Fee Advisory Committee apprised of the investment developments associated with the fund?

L. Furukawa-Schlereth said not as well as they might be. Most of the investments are bland.

The Senator thought that the committee should be informed of the loan for the organ and L. Furukawa-Schlereth agreed.

It was clarified that the decisions made by the committee are not School-specific, but university-wide and that fees are gathered university-wide.

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L. Furukawa-Schlereth said generally, they like to see three months in reserve and discussed the reasoning behind this approach.

L. Furukawa-Schlereth was asked if he was the fiduciary for the fund and he answered yes. He was asked if all the money from the reserve went into the loan. L. Furukawa-

Schlereth said he thought most of it did, but he wasn't positive. The Senator stated that neither the students, faculty nor the committee that is responsible for the management of the current fund was consulted. L. Furukawa-Schlereth said they are not responsible for the management of the fund. They only make a recommendation. The Senator said he was concerned about the process of consultation that led to the loan and that all the reserve was allocated to a single program. L. Furukawa-Schlereth said he would be bringing up the question of what role governance would play in investment decisions in the Campus Reengineering Committee now that investment will be more prominent on campus.

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A Senator asked, and was given, the clarification that the loan in no way compromised the Fee Advisory Committee's ability to recommend funding for programs. L. Furukawa-Schlereth reminded the body that the loan is due on demand.

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There was a general question about reserves. Would it be possible to have some kind of policy on reserves? L. Furukawa-Schlereth said that the function of the IRA reserve is to shelter the fund from fluctuating enrollments and for emergencies. He said they are trying more and more to restrict the use of reserves.

L. Furukawa-Schlereth noted that all the funds talked about so far are under the CSU Board of Trustees. The next set of funds are independent and each has its own full-blown Board of Directors.

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Associated Students Inc.	\$ 1,575,288	0.9%
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The Associated Students budget is developed by its Board of Directors.

The campus is reimbursed for all overhead costs.

L. Furukawa-Schlereth said this is a relatively small fund. It comes from student fees. Their budgets are developed by their Board of Directors. They have developed their own governance structure and have a commitment to co-curricular activities, including the Children's School. The Associated Students Productions Inc. is a major player. The Associated Students exist at the pleasure of the President and are responsible to the Chief Financial Officer. They are audited every three years.

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Questions

A Senator asked if the university would back these 501(c)3s if they go down? L. Furukawa-Schlereth said yes, generally the CSU backs its auxiliaries, but it has never been tested.

Student Union Corporation	\$ 1,773,244	1.0%
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The Student Union budget is developed by its Board of Directors.

The campus is reimbursed for all overhead costs.

The Student Union has outstanding debt in excess of \$15 million with annual debt service payments totaling about \$1 million.

Furukawa-Schlereth said this fund's money comes from student fees. They are a heavily leveraged fund due to borrowing for the Recreation Center. One of their challenges is the student union building. They are working with ASI and Enterprises to build a new University Center. They also own the Children's School building.

Questions

A Senator asked how the Student Union Corporation would build the University Center if they were so heavily in debt.

Furukawa-Schlereth said the University Center would probably be "owned" by various entities on campus. It is going to be a hard project. It will cost approximately \$50 million and the students will have to get very creative with the administration about how to do this.

Sonoma State Enterprises	\$ 11,589,000	6.4%
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SSE's budget is developed by its Board of Directors.

The campus is fully reimbursed for all overhead costs.

SSE has debt outstanding to the SSU Academic Foundation totaling \$6 million due in 2007.

\$70,000 in rental fees associated with SRB-1 annual debt service obligation for the Green Music Center Hospitality Center.

Furukawa-Schlereth said the Enterprises Board must consist of faculty, students, staff and community members. Faculty are selected by the Senate, students by the Associated Students and staff and community members by the President. The SSE runs the bookstore and Dining Services and will be the entity responsible for the Faculty/Staff Housing project. They are in debt for borrowing money to complete Salazar Hall. They have some debt with the systemwide revenue bond. Revenues for SSE will drop substantially when the bookstore changes. They will then focus on the University Center and the Green Music Center. They are tied to the growth of the housing program, which is tied to Dining services.

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Furukawa-Schlereth said the loan has been refinanced by the finance committees of the SSE and the Academic Foundation so that the balance is not due in 2007.

Foundation

Foundation General Fund \$ 91,600

Foundation Total Assets \$ 79,049,308

Resources are obtained from private gifts and earned interest.

Budget recommendations are made in accordance with donor intent.

Administration and Finance operates the Foundation without reimbursement in recognition of the contributions made by the Foundation to the SSU academic program.

L. Furukawa-Schlereth said that the Foundation budget is a little unusual. Its budget is not very large given the whole university. The real story is their assets. There has been tremendous growth in private donations. Most of the asset dollars are related to the instructional program. About 40 of the 79 are for the Green Music Center. This fund holds great promise for the campus in the future. He said there is another \$100 million in gifts coming to the university in the next 20 years. He gave examples of the changes in this fund and stated he thought when the campus plans strategically, this is fund to watch.

The President emphasized that all the donated money in the Foundation is for instructional purposes.

Time certain reached.

Cost Sharing Policy – Second Reading – C. Ayala

J. Schulz and T. Apolloni were introduced as guests for this item. C. Ayala noted the changes made from suggestions by the Senate. T. Apolloni described the process of creating the language for allowing faculty to contribute their time as cost share.

It was clarified that the 3 weighted teaching units of assigned time could be used as cost share if the department released a faculty member from their assigned duties. It was noted that there seemed to be a trend in education of teachers working for free and that such a trend should be resisted. There was a discussion concerning the possibility of coercion and it was clearly stated that the request for using time as cost share came from faculty. Language was proposed to clarify the voluntary nature of the cost share.

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8. Uncompensated volunteer effort provided by a tenured or tenure-track faculty member as detailed in section IV. A. below.

It was clarified that volunteer work can only occur during summer and intersession as federal guidelines do not allow overload work. **It was moved to adopt the above language. Second.**

Motion to postpone to next meeting. Second. Approved.

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The Chair announced it was Senator Wilson's birthday.

Adjourned

Respectfully submitted by Laurel Holmström

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