

MINUTES OF THE UNIVERSITY BUDGET COMMITTEE
CALIFORNIA STATE UNIVERSITY, FRESNO
5241 N. Maple, M/S TA 43
Fresno, California 93740-8027
Office of the Academic Senate
Ext. 8-2743

November 14, 2012

Members Present: J. Constable, P. Newell, R. Sanchez, J. Parks, A. Parham, D. Nef,
R. Maldonado

Members Absent: D. Bukofzer (excused)

Visitors: J. Schmidke

The meeting was called to order by Chair Constable at 3:34 p.m. in Thomas 117.

1. Minutes

MSC to approve the minutes of 7 November 2012.

2. Agenda

MSC to approve the agenda as distributed.

3. Communications and Announcements

Chair Constable noted that next week was Thanksgiving and the committee agreed to meet November 21 in Thomas Administration room 117 at 1:00 pm.

4. New Business

None.

5. Discussion of Budget Model.

Discussion initiated with Chair Constable presenting an initial proposal on estimating equipment costs for the individual colleges that includes two primary components (i) the base funds allocated per unit of equipment-need; and (ii) the index of equipment-need intensity. The actual funds allocated to each college for equipment would be determined by the product of base funds and equipment intensity index.

- (i) Base funds per unit of equipment-need. There was considerable debate about the current value in the model of \$25,000 per intensity index. The value was considered reasonable although difficult to substantiate as the current PeopleSoft budget coding protocols make it impossible to distinguish among teaching (graduate and undergraduate) laboratory consumables, teaching laboratory equipment and software with a short life expectancy (<5

years), teaching laboratory equipment and software with a long life expectancy (> 5years), and equipment and software maintenance contracts. As data to accurately estimate these expenses is lacking, the value of \$25,000 per unit was accepted by the Committee with the knowledge that as actual equipment costs become clearer the value may be adjusted appropriately.

- (ii) Index of equipment-need intensity. The Committee recognizes that different colleges have a wide variation in the types and costs of equipment they require to complete the college's mission. In an effort to account for different equipment needs among the colleges it was proposed that colleges be ranked on a ten-point scale (10=high equipment needs and 1=low equipment needs) as follows to reflect the perceived level of equipment need:

CAH	5
CHHS	7
CSM	9
CSS	3
CSB	3
JCAST	9
KSEHD	3
LCOE	8

As the concept of an equipment intensity index is new to the budget model, these values represent starting points that in conjunction with the \$25,000 value used for equipment base funds were accepted by the Committee with the knowledge that as equipment costs become clearer the intensity index value for each college may be adjusted.

Beyond the mechanism to estimate equipment allocation, the Committee discussed a methodology for a multi-year phase-in for the equipment cost portion of the model. As actual equipment expenditures over the last several years do not likely reflect true equipment need within a college, a phase-in period permits calibration of the above parameters to better reflect true equipment need.

A phase-in mechanism would prevent colleges from being under- or over-funded based on the initial assumptions about required equipment described above. In the proposed phase-in approach, once the total equipment funds for each college were determined as above, the control of the funds would be split between the college and the University Budget Committee. The split between college-level and UBC-level control would be 50%:50% the first year and the percentage controlled by the college would increase in 10% steps through the second and third years of the phase-in such that by the fourth and subsequent years the allocation would remain at 80% college-level and 20% UBC level. The intent of this process is to provide colleges with suitable equipment funds by providing some funds initially,

providing the opportunity for colleges to receive funds beyond their initial allocation by submitting equipment proposals to the UBC, and generating data on equipment expenditures that can be used to adjust the base funds of equipment need received and the index of equipment need intensity to appropriate levels. It should be noted that the mechanism through which the UBC-level funds would be allocated has not been established.

Chair Constable reminded the Committee that it was necessary to have the major components of the model established by the end of the current semester and that the final major area that the Committee needed to address is differential start-up costs among the colleges.

The meeting was adjourned at 4:55 pm

Agenda for Wednesday 21 November 2012

1. Approval of minutes of 14 November 2012.
2. Approval of agenda for 21 November 2012.
3. Communications and Announcements.
4. New Business.
5. Continued discussion on the budget model details.