



University Budget Committee Meeting

DATE: Thursday, December 1, 2016

LOCATION: NEC Room – Administration Building, room 560

Members Present:

Les Wong, University President, and UBC Co-chair
Ronald Cortez, Vice President & CFO, and UBC Co-chair
Robert Nava
Darlene Yee-Melichar
Janet Remolona-Blecha
Luoluo Hong
Linda Oubré
Sheldon Gen
Sheldon Axler
Christina Sabee
Jennifer Summit
Alison Sanders

Members Absent:

Troi Carleton
Jamal Cooks
Shannon Deloso
Pamela Howard

Call to order

A quorum was reached, and Les Wong, President, called the meeting to order at 2:06pm

Welcome – Co-chair, President Les Wong

Confirmation of new Committee members – Co-chair Les Wong

- Dean Linda Oubré for the 2016-2019 term
- Jamal Cooks for the 2016-2019 term



- Janet Remolona-Blecha for the 2016-2019 term
- All new committee members were approved

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Approval of September 1st, 2016, Minutes

- Approved with no changes

Announcements: Co-chairs Les Wong & Ron Cortez

Ron Cortez:

- Attempt to be more formal in reporting. Formality facilitates reporting and distribution
- All expenditures for entire university to be reflected in new financial tool. Has presented a draft to Interim Provost & VP Jennifer Summit.
 - Five-year history will be coming in as a feature in future version
 - Questions over the exact degree of transparency of reports: will these reports accessible to readers outside of university?
 - Ensuring discussion and agreement over need for context in reporting numbers.
 - **Question:** How to read reports in light of differences between the way departments/colleges may split up their funds?
 - Ron Cortez: What matters is consistency over time within a division, not consistency of categories across divisions.
 - Financial tool allows for flexibility of accounting needs within different colleges/divisions.
- Overall goal: transparency of funds, which serves as single set of data to which everyone involved in decision-making can refer.

Les Wong:

- Uptick in audits from Chancellor's office. Audits are major in scope, but going well.
- Use of data to increase transparency. This process to increase transparency will help administration treat colleges and divisions more fairly and consistently. This builds trust.
- Context for budget presentation:
 - Board of Trustees making tuition fee increase decision in March '17 (to take effect for Fall '17)
 - Gap between Trustees' requested budget augmentation & Governor's model is large – currently only funds 60% of Trustees' request. Problem for all CSU campuses.
 - Questions arising from current context:
 - How to pay 3rd year of faculty raises agreement?



- 0% increase in enrollment numbers
- How to model in shifting political landscape, and in light of Chancellor's office insistence on 4-yr grad rates.
- Wait-and-see stance re: higher ed policy starting in January '17
- **Question:** What about impact if City College becomes free?
 - **Answer** (Pres. Wong): Could draw away students.
 - **Answer** (Luoluo Hong): could bring in students looking for "quality".
 - (Both): Need to model to better anticipate.
- Attempt to connect all facets, have all SVPs work together to guide students from enrollment through graduation. Context important.

Presentation: Academic Year 2016-17 Enrollment Update & 2017/18 Enrollment Projections – Interim Provost & VP Jennifer Summit

- VP Summit has promised to distribute her PPT presentation to all attendees.
- Downward trend in enrollment, both among residents and non-residents. Less pronounced among residents.
- To meet '17-18 CO targets, would require 36% rise in new students: not going to happen in 1 yr. Need to develop realistic plans for 1 yr, 3 yrs, for enrollment and retention.
- Feeder counties: enrollment of students from local counties stable; big decrease in those coming from Southern California.
 - Projected HS graduation rates will rise in local counties, decrease in So. Cal.
 - Need to reach out to and retain local students.
- Enrollment & retention hurt by impacted majors.
- Stop-Out rates – by class year and by college.
 - Need for culture change in classes, how they're taught (esp. for first-year students; for instance, increase contact with faculty), courses offered (ex. offered by L. Oubré: Decline in students looking for MBA, increase in those looking for M.A. Finance)
 - Effect of bottlenecks, lack of class space for needed courses?
- **Comment** (Pres. Wong): Students most likely leave after Choice B unavailable, not Choice A. Needs more data.

Presentation: Fiscal Year 2016-17 Budget Update – Co-chair Ron Cortez

- Presentation abbreviated as meeting already behind schedule. Presentation will be made available to all attendees.



- Total: \$530 million (rounded up)
- Historically, “budget” has only meant General Fund, not other categories (although major): Self-supports (\$80 million), Special Projects (\$70 million)
 - 1st Quarter report to be sent out: shows detail on these amounts and how spent.
- Revenues down; expenditures increasing year over year (raises, other expenditures rise regardless of enrollment figures).
- Five-Year Plan
 - Will land close to target.
 - Aware of gap this year, working toward it
- General Fund Reserves
 - Universities should have reserves of 20-40%: SFSU has current reserves of 21.4-21.6%, with upward trend.
 - SFSU has lowest reserves of CSU system, but within target range, and rising.
- Capital Improvement Plan
 - On time and on budget: 57% complete on project; 58% complete on timeline.
 - Expenditures column does not include financial aid figures.
 - **Question:** Is the Governor’s budget known?
Answer (R. Cortez): Yes; state budgets reflect no growth in enrollment, but we have growth in expenditures.
 - **Comment:** VP Summit’s enrollment numbers should theoretically be worst case scenario. Proactive efforts on part of Student Affairs & Enrollment to mitigate.
- **Comment** (Pres. Wong): Need to think through teaching assignments with tenure-track faculty. Need to rethink how we’re deploying talent, using release time.
 - SFSU is teaching institution.
 - Cultural shift necessary to understand, to mitigate revenue, enrollment numbers
 - Data should help us respond better, anticipate better.

Open Forum – floor opened for last-minute questions/comments

- Sheldon Axler: Stop-out between freshmen & sophomores is huge: need to address. But also address freshmen taking “wrong” classes (i.e. not in their major). Academic experience for freshmen falling short.
- Sheldon Gen: Need for interpretation of budget numbers for university constituents, particularly as we head to tuition raises.
- L. Oubré: Thank you for transparency effort, especially for budget numbers.



Proposed dates for 2016/2017 Committee Meetings

President Wong suggested we keep to the schedule proposed below:

- Thursday, February 2, 2017, 2:00PM – 3:30PM, NEC Room
- Thursday, April 13, 2017, 2:00PM – 3:30PM, NEC Room
- Thursday, July 13, 2017, 2:00PM – 3:30PM, NEC Room

Adjournment

The meeting was adjourned at approximately 3:30pm.