



University Budget Committee Meeting Minutes

DATE: Thursday, Sept. 19, 2019

LOCATION: ADM 560 (NEC Room)

MEMBERS PRESENT: President Lynn Mahoney, Co-Chair, Interim VP & CFO Jeff Wilson, Co-Chair, Provost & VP Jennifer Summit, Interim VP Beth Hellwig, VP Jason Porth, Dean Amy Sueyoshi, Senate Chair Nancy Gerber, Ian Dunham, Andrew Ichimura, Gitanjali Shahani Jerry Shapiro, Genie Stowers, Phonita Yuen, AS VP of Finance Andrew Carrillo, Maria Martinez, Elena Stoian, Sutee Sujitparapitaya,

Absent: Interim VP Venesia Thompson, Kathleen Mortier

Guests Present: Veronica Castillo, Ly Chau, Jennifer Khuu, Shae Hancock, Vicky Lee, Bonnie Li Victorino, Noriko Lim-Tepper, Carleen Mandolfo, Sylvia Piao, Mirel Tikkanen

Committee Staff Present: Nancy Ganner

Accompanying PowerPoint presentation for this meeting can be found here:

https://adminfin.sfsu.edu/sites/default/files/documents/UBC%20PPT%20Presentation%20Sept%202019%20PDF_4.pdf

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❖ UBC Co-Chairs called this meeting to order at 9:00 A.M.

### **Agenda topic # 1 - Welcome and Announcements**

❖ **President Mahoney** welcomed Committee members

### **Agenda topic # 2 - Introduction of new committee members**

❖ **Jeff Wilson** introduced new committee members:

- . Interim Vice President of Student Affairs & Enrollment Management Beth Hellwig
- . College of Ethnic Studies Dean Amy Sueyoshi
- . Metro College Success Program staff Phonita Yuen
- . College of Creative & Liberal Arts faculty Gitanjali Shahani
- . Graduate College of Education faculty Kathleen Mortier

### Agenda topic # 3 - Approval of May 13<sup>th</sup> Meeting Minutes

- ❖ **Jeff Wilson** called for approval of the May 13<sup>th</sup> meeting minutes. They were approved, seconded and passed.

### Agenda topic # 4 - Enrollment Update: College Year 2019-2020

- ❖ **Sutee Sujitparapitaya** presented slides showing:
  - SF State's Summer Session growing every year. Noted SFSU is 2<sup>nd</sup> highest enrollment in the CSU, behind SDSU.
  - Decline in transfer students, yet more than incoming freshman.
  - Graduate enrollment has been declining.
  - Fall 2019 vs. Fall 2018; less freshman/transfers this year. SFSU admits many, but received few AAO's (Accepted Admission Offer).
  - Enrollment projected to come in lower than last year for First Time Freshman (FTF), and graduate students (the latter in single digits).
  - Noted we need to bring in minimally 8,000 new students in freshman/transfers to break even for those 8,000-10,000 graduating every year.
  - Enrollment is lower, but average unit load is higher because students given more options to enroll in classes.
  - Projections for CA residents; Chancellor's Office enrollment target increased by 2%, so projecting 3.2% below target for this year. Approx. 1.6% lower for California, and 2.4% lower in non-California residents.
  - Spring 2020 transfer students nearly 1,000 less applications.
- ❖ **Jerry Shapiro** asked if we had comparative data from feeder campuses like CCSF to compare those representations with the enrollment at CCSF and other feeder colleges, to give a sense if decline is statewide, or something we can address through different approaches or different recruitment at an early point. Sutee responded does have data he can share.
  - Noted it's important to understand that data, and wondered about the capacity to send shuttles to CCSF or closest transit stations between our campuses.
  - Wondered how we can create opportunities to generate tailored connections with our leading feeder community college resources. How conversations specifically address not only the large categories of declining numbers, but also the nuanced representation of interest.
  - Suggested gathering data that can inform how we can strategically address enrollment concerns.
- ❖ **Nancy Gerber** observed more info is needed to noted lead to strategic decisions to lead to actions.
  - Requested info to discern if rises/falls in enrollment are college specific or across the board; there may be some colleges doing better than others, or some programs doing better than others.
  - Requested info to discern if difference in California residents between Bay Area and other counties.
  - For non-residents, requested info to discern if all are international or not.

- Requested info to understand why Summer is doing well; were more sections offered or more recruiting done. Observed we seem to be losing more part-time students than full-time students.
- ❖ **President Mahoney** commented that typically community colleges have more capacity than students, and CSU has more demand than capacity, especially in Southern California. Likely at the next recession, there will be an uptick in higher education because people will go back to workforce development.
  - Committed to bring back the Presidential Task Force on Strategic Enrollment Management, to make more connections with San Francisco Unified School District and community colleges, to find more opportunity for collaboration. Recently met with Vice Chancellor Rocha of CCSF and he discussed the idea of SF State bringing back lower division admissions. Lower division transfers is a possibility, because the sooner they get to a 4-year university, the better chance they have to graduate.
  - Noted this will all take a lot of hard work and will take a while, but it has to get started quickly to begin seeing results in 2-3 years.
- ❖ **Jerry Shapiro** observed how the unique housing shortage has an impact on life-chance opportunities, and how we're being asked informally to look at how the pieces fit together in creating opportunity-providing ways. One major constituency consists of individuals looking for a pathway for either professional development or moving to higher level of graduate education outside the area.
  - Suggested SF State can tailor it's resources with CCSF and other city colleges with programs we've developed such as the SF Scholars program, our 4+1 degrees, etc., to target those which are professional-pathway specific. In the area of social work there's a tremendous shortage, and students from community colleges are being recruited into what used to be exclusively social work positions.
  - Noted the challenge for SF State is how we look at utilizing our resources and tailor them, like the bus/shuttle situation, and create needed infrastructure. Also the campus climate we've been sensitized to over the past couple years – consider how we use some of that anticipatory acculturation so the population we're building has either had exposure to our faculty, perhaps, teaching at CCSF, or they've had an opportunity to sit in on a class on our campus.
  - Further noted; as we expand opportunity outside the immediate area of city colleges, there may a possibility for some of our faculty who live in Santa Rosa or the East Bay, to teach a class at a community college. This improves their quality of life commute-wise, and also gives that personal link for a student that comes to our campus. We can create innovative venues of discourse so we can begin to put some of this together and actualize some of that collaboration that we all agree upon, but may not yet have the mechanism to accomplish.
- ❖ **Genie Stowers** asked President Mahoney why CCSF might be interested in SF State offering lower division classes, and also, if we've been concerned for years about the methods we use to forecast our enrollments, were we prepared for this enrollment drop.
  - Commented that she taught a class in Spring at EdD and the students were from some of the K-12 districts nearby, who spoke about their declining enrollments. If those district are part of SF State's feeder systems, we could have forecasted the expected drop and have built strategies. She requested

econometric modeling around forecasting enrollment and using those data points. If our nearby high school districts are declining, and very seriously Daly City, then something different has to be done.

- ❖ **President Mahoney** responded that offering lower division admissions could be great for students to come to SF State after 30 units. The University would have to submit a request to the Chancellor. SF State can't let the fact that it could take 18 months or 2 years deter this plan.
- ❖ **Andrew Ichimura** commented that while undergrad enrollment is very important with our large amount of students, the leveling off of the graduate enrollment by 2/3 from 8 years ago is unacceptable. Particularly when a graduate degree is access to better employment, it becomes part of a social justice issue to help level students professionally.
- ❖ **President Mahoney** noted it's also a financial issue and a consequence to the diversity of the community.
- ❖ **Beth Hellwig** remarked she recently attended a meeting with our cohorts, both Provosts and VPs of Student Affairs, and they had a discussion about our online presence, especially with regards to the housing crisis. Many students are telling their friends that it's so difficult and expensive to find housing. Our reputation around California is that it's very difficult to come to San Francisco. She also had a conversation with Provost Summit and Interim Dean Alex Hwu (CEL) about the possibility of enhancing our online presence, so that could be another point of our discussion.
- ❖ **Andrew Carrillo** acknowledged that as a student, he agrees with VP Hellwig and one of the external factors is coming to SF State is the housing crisis. A lot of his friends had to leave because they had no place to stay. The Campus Master Plan is trying to make SFSU a more residential university, which could help, but do we know what other factors may play a role in our steady decline?
- ❖ **Maria Martinez** advised that for undergrads, the overall national trend shows a decline in birth rates, so there's a decline in college-bound students in general. Other universities are doing everything they can to attract students from the West, including showering students with scholarships.
- ❖ **President Mahoney** suggested that Southern California seems to be the outlier. Anywhere else in California, universities are talking about declining enrollment, except there. It's demographically-driven. The good news is that means there's a lot of expertise in how to more strategically build those enrollments. The CSU has never had to do this, and eventually SoCal will be having the same conversation. The demand for the kind of data with an action plan gets us somewhere, so that's what we'll do.
- ❖ **Sutee Sujitparapitaya** expressed he looks forward to the Strategic Enrollment Management Task Force so he can present more data than he typically has time to present at these meetings. Also noted for international graduate students, the numbers declined after 9/11 and have never recovered.
- ❖ **Jennifer Summit** agreed there can be a tendency to focus on external factors, and not on internal factors. Advised it can create a sense of complacency and passivity given the scope of the problem. It's important to observe what's going on at San Jose State, and how is it they can grow their enrollment at a

time when enrollment trends are going in the other direction. They are good at strategic program development.

- Replied that regarding graduate student enrollments, some of our programs are actually climbing, both in graduate and undergraduate. Given the opportunity, SF State can be highly innovative in new interdisciplinary programs that don't create a need for resources we don't have right now, until we build our enrollment. The new graduate certificate in Ethical Artificial Intelligence, for example, is a signature SF State program. No other university could create a program like this.
  - Noted that as mentioned in the recent CampusMemo, DUEAP (Division of Undergraduate Education and Academic Planning) is launching a pilot to offer seed funding to clusters of faculty who want to come up with innovative interdisciplinary programs that meet real needs.
  - Suggested SF State has to look at how we use our resources - we have incredible brain power and creativity to launch new programs that are going to address demand. We have to have those hard conversations about shifting resources, to align them to the areas of high demand and high need, and to make sure we're growing where we can grow, and our resource allocation reflects that.
- ❖ **President Mahoney** remarked that only recruiting new students will not solve our problems -- we have to retain those we have and lead them to graduation. It costs us money to bring new students in, so to keep just bringing them in and losing too many would be a waste of university resources. Agreed that some of that is about housing, and SF State is working on that, but it's just as expensive to live in San Jose as it is here. San Jose State doesn't lead their conversations with "students can't live here". We also have to address the real issues and stop marketing ourselves as a costly place to live. Too often we put our weakest foot forward, but we do have to address it.
- ❖ **Gitanjali Shahani** mentioned that she reads comments in her social media feeds that San Jose State is a good option for the H1B Visa. It's not backed by any data she's collected, but it's a consistent theme. In Silicon Valley, because there are a lot of people coming from immigrant communities, their spouses have been able to get additional degrees at San Jose State just by virtue of being there, on an F1 track. It solves many visa issues. To have it show up on those forums in a way she doesn't normally see CSU's mentioned, is interesting. They have that reputation for that not necessarily here, but abroad. This may be able to address one of the international student issues post-9/11. Stressed that she doesn't have that as a data point, but it's what she hears from being 'in the trenches'.
- ❖ **Amy Sueyoshi** asked with regards to retention and graduation rates; if we need about 10,000 students each year, how does that number shift depending on our retention rates?
- ❖ **Sutee Sujitparapitaya** responded that last year the university had the most degrees awarded, but if we graduate more, then we cannot retain them longer, so we'd have to bring in more students.
- ❖ **Amy Sueyoshi** further noted if we improved our first year retention rate, how many students would we need to come in the following year. Sutee offered to share that info with her later.
- ❖ **President Mahoney** observed when it's broken down like that, you can see it's not a huge number. The Chancellor's Office has a website that shows how many students from historically underrepresented

groups we would need to retain and graduate, in order to close the equity gap. When you see the number, we can do that. (<https://www2.calstate.edu/csu-system/why-the-csu-matters/Pages/closing-the-achievement-gap.aspx>)

## **Agenda topic # 5 - 2019-2020 Budget Update**

- ❖ **Jeff Wilson** introduced Elena Stoian, Executive Director of Budget Administration & Operations, to present an overview of the 2019-20 budget. Noted it may be repetitive for those who have been on the committee, but for new members, it; good for everyone to be on the same starting point.
- ❖ **Elena Stoian** reviewed the basic budget concepts for the budget and allocation process, and noted it's an extract of what will be presented at upcoming Budget Town Halls (<http://budget.sfsu.edu>)
  - Showed the planning objectives for the SF State budget process: sustainability, transparency, and engagement.
  - ⇒ Sustainability: the objective was to outline the campus budget in order to build transparency, so we started with a base budget. The base budget is all fund sources, which includes all fees students pay, all self-support and all auxiliaries operations. Base-budget is for permanent expenditures funded by the current year operating fund. The Capital budget is aligned with projects and working with University Enterprises. The financial oversight review process is needed because when we have a budget set, we want to make sure the plan is operational. We do that by having quarterly reviews, and although it can be a painful process for the business managers we have to monitor the budget to achieve goals we set at the beginning of the year.
  - ⇒ Transparency: the Budget office publishes a budget report online, but we want collaboration from the other units. We are expecting the colleges to help us in publishing this report and writing about their strategic initiatives. We plan on having more campus budget forums, and recently we met with Associated Students and they're really interested in the budget process and asked good questions about their budget. We are also going to continue our fiscal and budget training for everyone.
  - ⇒ Engagement: this year our approach was budgeting from the bottom up, and everyone was involved; from business analysts to business managers, all the way up to the VP's, and they all had some responsibility in the budget process. After we publish the report, we're going to survey what worked well, and what can be improved. Engagement also means shared governance, and feedback on planned procedural changes.
  - The Senate resolution on budget transparency: ([http://adminfin.sfsu.edu/sites/default/files/Committees/UBC%20Implementing%20Budget%20Transparency%20Resolution%20%28RF17-363%29\\_0.pdf](http://adminfin.sfsu.edu/sites/default/files/Committees/UBC%20Implementing%20Budget%20Transparency%20Resolution%20%28RF17-363%29_0.pdf)).
  - The Budget office will keep enhancing our budget model university-wide and at college and unit levels. The Budget office will also be looking at the university-wide hiring plans and position management. The VP & CFO's office and the Budget office will be hosting community Budget Town Halls: <http://budget.sfsu.edu/>

- ❖ **Genie Stowers** asked what the “BECA Loan” payment was, as noted on the presentation.
- ❖ **Jennifer Summit** responded it’s the building loan for the new LCA building going up now.
  - Acknowledged with gratitude the work the Budget office and the Provost’s office have done over the last year to start to build stronger base budgets in the colleges that account for mandatory recurring costs. They haven’t met those all the way, but have made a significant step in the right direction. That means the colleges are going to be able to decrease their reliance on carryforwards for their mandatory costs, and it will give them greater predictability, when it comes to their budget. That would not have happened without massive amounts of work from the Budget office and the college business officers. Acknowledged Elena’s leadership with great appreciation.
  - Observed they had greater access to information about the budget in Academic Affairs than ever before and maybe any Provost had before.
  - Commented the budgeting process this year seemed more chaotic and stress-inducing. Is struggling to understand why it has been so difficult this year. It’s difficult every year, but this year sensed a level of tension and chaos. They are working to clarify basic allocations that the colleges need to be able to run their schedules, and is trying to explain why it is so difficult this year, and hopefully next year it’s going to be a little better.
- ❖ **Elena Stoian** responded from the Budget office perspective, the main reason this year felt heavier is that we wanted to make sure the data submitted from the colleges included details of their plans and goals. In the past, the colleges were not used to including the detail levels of positions, analyzing and forecasting, and making sure they’re part of their base budget. In the past, there was no line item for operating expenses in the college budgets. We’re all learning we have to be transparent with budget allocations, and create consistent processes for items such as instructional equipment, their replacement rates, how much each college has to invest in this, etc. If this information is not readily available, there are a lot of assumptions we have to make. I think that was one part of the struggle. It wasn’t only the colleges that experienced that – that happened with other Cabinets as well.
  - Noted we do not receive additional allocations for other mandatory costs, like when Facilities renovates a classroom and they find other issues out of code, then they have to fix it and that’s at additional cost, but we don’t have an allocation for that. Trying to find all of these expenditures that have never been planned for, takes time.
  - Acknowledged that this year Academic Resources took a greater role in knowing what the actual centralized needs are, vs. at the college level. The Budget office is confident moving forward next year with the knowledge the colleges have now. It’s better with the additional financial review, but it cannot be fixed in a year. The business officers will have access to better forecasting that they have in years past, and how their budget will look at year-end. It will take time, additional financial oversight, and if there are any challenges, they can be addressed together.
  - Acknowledged the Budget office also reviewed financial oversight at the college level, including having the Deans a part of the review, to see what’s missing from their planning and to ensure they’re

able to operate as needed. In the past, their financial oversight reports weren't that helpful because they showed a different story when they closed the books at year-end. There were conversations happening at the end of the year that needed data we didn't have. This level of detail will help all moving forward, but we only had a short timeline of February to August this year to gather it, so perhaps that's why it felt stressful.

- ❖ **Jerry Shapiro** commented that an important consideration is delivering a social justice experience at the beginning of the academic year defines not only how we operationalize our mission, but also how it influences the retention of students, faculty and staff on campus. It stands on its own and beyond the turbulence of what happens in May/June in Sacramento that allows us to make a commitment to lecturers, so we get the best lecturers and they don't feel frustrated. This way our students begin their Fall semester in a welcoming and stress-free environment administratively, as well as culturally.
  - Summarized that how we all put our heads together gets into not just shared governance, but immediate principal collaboration where we're all on call, so to speak, to make the kind of adjustments to really be there in a defining way. As was discussed at the Strategic Issues Committee, that, in turn, that influences our ability to deal with some of these hard decision areas.
- ❖ **Elena Stoian** noted this is where a multi-year budget plan makes sense. Operating in silos with a one-year budget is not strategic – that's only responding to crisis.
  - Reiterated multi-year planning is strategic planning, and might address questions of "how do we incorporate all of these strategic initiatives which are going to change our enrollment, for lecturers, for capital improvements..." If we have mandatory costs we don't receive funding for, and don't plan for, then we start reallocating and moving funds last-minute, and it's just more work to track. Planning together will help us move forward together.

### Agenda Topic #6 - UBC Initiatives

- ❖ **Jeff Wilson** introduced UBC initiatives. As at Sonoma State, where he was prior to SF State, the UBC was more engaged in decision-making. Noted in his two years at SF State, this committee has focused on information sharing, but the committee Charge says it's to provide the President with advice and recommendations. Moving forward, proposed the committee continue to receive updates from enrollment and on the budget, but there are opportunities to live up to the Charge of advising. Two initiatives we will take the responsibility of leading:
  - #1: a reserves and carryforward policy: the audit report that was issued by the state auditor re: the CSU reserves, they didn't criticize what our reserves are, but they did suggest we need a more deliberate policy toward managing our reserves. <https://www.auditor.ca.gov/pdfs/reports/2018-127.pdf>
  - #2: distribution of recovered indirect costs from sponsored programs: money we recover from sponsoring agencies in the form of indirect cost to support research and other types of sponsored

programs. Currently we only have a practice, and there's no firm policy to turn to in case someone disagrees. There's nothing documented.

- ❖ **Jeff Wilson** identified the other part of the committee Charge is to provide budget planning and review advice and recommendations to the President. That goes to what Jerry was talking about, and perhaps to the stated chaos also. Maybe this committee needs to endorse a schedule and a planning process that not only helps Elena be more accurate in what she does for her responsibility, but also informs the colleges and other units of their responsibilities in time. We'll pick that one up next.
  - The first of these subcommittee's will be with regards to the reserve and carryforward policy. It will be voluntary and certainly will rely on the expertise in Elena's Budget office, and Sylvia Piao's office (Fiscal Affairs) around the CSU constraints we have. We will work through this committee to legislate that policy and recommend it to the President. This is all done in the spirit of shared governance and collaboration and I hope that we can move successfully through it.
  - **Andrew Ichimura** asked if there is going to be a subcommittee for the second part as well, for the IDC? Two separate committees?
  - **Jeff Wilson** responded he'd like to focus on one, then move to the other.

❖ **Agenda topic # 7- Open Forum**

- Jeff Wilson asked if there are any speakers present.
- None noted/meeting adjourned.

**Next meeting:** Tuesday, December 3, 2019, 9:00am – 11:00am

/ndg