



## University Budget Committee Meeting MINUTES

DATE: Thursday, November 5, 2015

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

Phoebe Dye

Sue Rosser

Robert Nava

Luoluo Hong

Genie Stowers

Pamela Howard

Linda Oubré

Janet Remolona-Blecha

### **Members absent:**

Antwi Akom

Troi Carleton

Robert Keith Collins

Darlene Yee-Melichar

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### **Call to order**

A quorum was reached, and Dr. Les Wong, University President and UBC Co-chair, called the meeting to order at 2:30 p. m.

### **Opening**

Dr. Wong noted the positive attitude in the room. He attributed the liveliness to University budget turning out better than expected, and promised to speak more on that later in the meeting. He welcomed all participants, and turned the floor over to Ronald Cortez, Vice President & CFO and UBC Co-chair.

### **Comments and Announcement**

Mr. Cortez noted some highlights of this year's budget:

- \$2M set aside for Student Success and Completion
  - \$1M from Chancellor and
  - \$1M from University
- Successful Summer Enrollment
  - Moved summer from self-support to state-support
  - Critical in helping to meet enrollment target
- Successful Fall revenue will meet budget projections
- Success in implementing Balanced Budget Plan
  - Reducing \$7.4M structural deficit by Three-Pronged Approach
  - Hopefully, eliminated by end of next fiscal year
  - Will allow University to take up new debt on its own.
- This year's budget
  - Based upon anticipated enrollment increase of 2%
  - Received additional 1% (\$97m) from state
- Groundbreaking on Mashouf Wellness Center
  - Thanks to all with special thanks to ASI
  - Beautiful LEED Platinum building
  - \$5M from Students, \$20 cash from Campus; \$56M in revenue bonds
- Received \$4.6M from Chancellor
  - one-time funding for deferred maintenance and other basics
- Received \$12.6M
  - Critical deficiency money
  - \$8.4M for five labs and one stock room
    - Ready to open in early January before school starts
    - People working shifts 10 p.m. to 5 a.m.
- Received \$1.7M allocation modernization money
  - Receive money first year for planning.
  - Then receive construction money the following year
- New state funding method
  - State will give chancellor all the debt and money to cover debt
  - As chancellor pays off old debt, it frees up money to seek new debt
- Restructuring of IRA money distribution
  - Portion of funds went to one area and committee would distribute rest

- Now, all the money goes to the committee for the committee to distribute
- Commending leadership
  - Academic Affairs for moving summer school from CEL
  - Dr. Luoluo Hong, Vice President of Student Affairs, for getting enrollment numbers back up.
  - President for progress on addressing the structural deficit

As we start turning this ship around we make things better for the future and the campus will be able to do a lot of things in the future.

Dr. Wong made three observations about the recent budget process:

- First The Chancellor has made a commitment to increase the density of tenure track faculty on all 23 campuses, and
  - has provided monies to academic affairs to do that
  - The Chancellor's benchmark is 75%;
  - According to Provost Rosser, SF State is at 65%
  - The budget provides additional monies for advisors in Student Affairs and other units.
- Second During the recession, the campus staffing contracted disproportionately due to attrition.
  - The Cabinet and HR are working to readjust so that we have enough people in the right spots to do things. This does not mean we are cutting job or cutting people.
  - Looking to strategically grow our staffing in time to accommodate the 3% enrollment growth laid out in the budget deal.
  - This is an intricate balance of staffing people to deliver curriculum, and to ensure retention of student to get them to graduate.
  - This is better than being gazillions of dollars in the hole and not knowing what to do.
  - I am continuing my effort to rebalance the apportioning of dollars per FTE across CSU campuses.
    - According to my "napkin calculator," we are 22nd of the 23 campuses in dollars per FTE.
    - SLO received almost two and one-half times what we did, and Fullerton is right next to us at the low end.
    - I am working with the President of Fullerton on a way to address this issue to the chancellor in the interest of fairness.
- Third Contending with aging and decrepit infrastructure.
  - Making plans for
    - significant construction,
    - additional housing

- new science building
- developing effective finance plan
- not all construction plans are in the strategic plan
  - At time of developing strategic plan, financing was not in place
  - Prefer develop construction plan with financing in sync with it
- Chancellor has given green light for our creative financing plans

Jay Orendorff , Executive Director of Budget & Risk Mngement, announced that Andrew Som, Budget Director, is leaving the University after over two decades of service. He will moving on to other opportunities. Mr. Orendorff thanked Andrew and wished him the best of luck for his future.

### **Budget Update**

Mr. Orendorff provided the budget update with an accompanying PowerPoint presentation. Some highlights include:

- Higher Education 2015-16: \$14.2B (increase of \$1B over 2014-15)
- Governor’s Budget Act 2015-16 CSU Budget
  - \$216.5M in base funding
    - \$98M over 5-5-4-4 Plan
    - Amount Chancellor requested
    - Govenor’s 5-5-4-4 Growth Plan is now 5-5-8-?
  - Shift GO and lease revenue bond debt-service into CSU’s budget
  - Student success remains a major priority (\$38M)
  - \$25M Deferred Maintenance (one-time)
- SF State General, Self-Support, and Auxiliaries Fund Budgets Fiscal Year 2015-16
  - \$446.3M total budget (combining all budgets gives a fuller picture)
  - \$2.0 million set aside for Student Success and Completion
  - Successful Summer enrollment program
  - Successfully implemented a balanced budget plan
  - Anticipated enrollment growth of 2%

### **Enrollment Update**

Dr. Jo Volkert, Senior Associate Vice President for Enrollment Management, gave an update on SF State enrollment. Some highlights include:

- Review of the components of Revenue from Enrollment
- CSU Presidents are responsible for achieving target
- Penalty: Base allocation potentially reduced following year
- Annualized FTE Target for SF State 2015-16: 23,836
- 2015-16 Annualized FTEs projected to be over target
  - 2015-16 Projected Annualized FTEs: 24,063

- Summer 2015 FTEs: 1,040

### **Comment and Questions Period**

Dr. Wong remarked

- Challenge of 3rd and 5th semester retention as students return to SoCal
- Penalties for over and under enrollment
  - Eliminated so long as campus is within "zone" of FTE Target
  - Thanks to Chancellor White

Member questioned how is \$2M in Student Success spent?

Dr. Wong answered that monies were allocated to six categories through data driven decision making.

Dr. Wong commented on moving the University to more sustainable financial footing.

Member commented, "Some additional funding is great, but when linked to growing enrollment, it doesn't fix the deficits we have." Fortunately, Student Success program is \$1M "clean money." Unfortunately, new money is not always. "Let's do better."

Dr. Wong brought up the Task Force Budget Report. He also noted that, as we are on our own for anything beyond marginal funding, the work that Robert Nava, Vice President of University Advancement, does is very important.

Mr. Nava noted that next year will be a challenging time in Sacramento. SF State will be competing with other interests for funds

- We will organize briefings for our legislative delegation in January
- We will report on how current funds are being used
  - We must translate funding numbers into narratives of our students
  - We will be the first to present student narratives
- We will need sister campuses to do the same to have impact.

### **Review of minutes of previous meetings**

The draft minutes of the May 28, 2015 UBC meeting were approved without opposition.

### **Next Meeting**

Date for next UBC meeting will be March 25, 2016.

**Closing Remarks**

Mr. Cortez thanked Mr. Orendorff for working on the budget, and Maureen Pasag, Associate Vice President of Fiscal Affairs, for successfully closing the books.

Dr. Wong championed the "Bold. Thinking." Campaign, and urged everyone to "Think of change as opportunity". He commended everyone in the room. He noted that the multi-year budget is in planning mode. It has been instrumental to understanding and in identifying key decisions. He ended with thanking everyone for their contributions.

**Adjournment**

The meeting was adjourned at 3:50 p.m.

Respectfully submitted,  
Edwin D. Critchlow  
Administrative Analyst/Specialist  
Budget Administration & Operations

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