Welcome
from UBC co-chairs

Jeff Wilson
Interim Vice President & CFO
Administration & Finance

Jennifer Summit
Provost and Vice President
Academic Affairs
Today’s Agenda:

OPENING
1. Welcome                        Co-Chairs Wilson & Summit
2. Approval of minutes from November 19, 2020  VP Wilson
3. Opening remarks from President Mahoney  President Mahoney

BUDGET TRANSPARENCY
4. Budget political context     Noriko Lim-Tepper

PRESENTATIONS
5. Academic Affairs; Portfolio of Imperfect Options  Provost Summit

UPDATES AND INFORMATIONAL ITEMS
6. (none for this meeting)

ACTION ITEMS FOR THE COMMITTEE
7. UBC RSO Workgroup (second reading)  Genie Stowers

PUBLIC FORUM  (15 minutes; three-minute limit per speaker)

ADJOURNMENT (next meeting, Thursday, 17, 10:00 AM –12:00 PM)
Approval of November 19th Meeting Minutes

(Members, please request an edit or state your motion to approve)
Opening Remarks

President Lynn Mahoney
Budget Transparency topic:

Budget political context

Noriko Lim-Tepper
Interim Chief of Staff
Office of the President
The State of California has experienced a rapid but uneven recovery.

- August and October, collections from personal income, corporation, and sales taxes so far in 2020-21 have been 22 percent ($11 Billion).

- There has been stable employment for high income workers who account for a large share of state tax payments.

- Resulted in an estimated $26 billion one-time windfall for the State to spend in 2021-2022.
The State’s uneven recovery:

• The State has experienced, at its highest, a 16% unemployment rate and has paid $109 billion in unemployment benefits as of November. Which could increase as the pandemic continues.

• The LAO has projected that State expenditures will grow by 4.4% each year resulting in a $17 billion deficit by 2024-25.

• LAO has recommended that Governor Newsom and the Legislature allocate $13B of the $26B into the State’s reserve.

• California will receive 327,000 doses of the new Pfizer COVID-19 vaccine in mid December.
Under Main Forecast, Operating Deficits Grow Over Multiyear Period

(In Billions)
Total State Funds
Total $202 Billion

- K thru 12 Education: 24.6%
- Health and Human Services: 34.8%
- Business, Consumer Services, and Housing: 1.4%
- General Government: 3.3%
- Government Operations: 1.0%
- Environmental Protection: 1.6%
- Corrections and Rehabilitation: 7.9%
- Natural Resources: 3.3%
- Legislative, Judicial, and Executive: 4.0%
- Labor and Workforce Development: 0.5%
- Transportation: 9.2%
- Higher Education: 8.3%
The CSU’s approach to advocacy is centralized.

- The trustees confirm the annual budget ask to the legislature.

- The 23 Campuses must take the position of the Chancellors Office on any legislation and may not advocate for budget resources outside the CSU budget ask.

- The Chancellor’s Office creates the system's advocacy strategy and designates the campus delegation based on its service area.

Campuses have the flexibility to contact members of their delegation on approved advocacy-related issues and to build relationships.

- San Francisco State Government Relations engages in year-round State and Federal advocacy.

- We meet with regional leaders in the business and policy sector.

- For the 2021-2022 budget year, advocacy has started in October 2020 - July 2021.
The CSU never gets 100% of the budget ask.

We will know how close or how far we are from our ask when Governor Newsom releases his January budget.

Please note that the requested amount for the Basic Needs Initiative has increased from $15 million to $30 million.
CALIFORNIA SENATORS

SCOTT WIENER (D-11)

JOSH BECKER (D-13)

CALIFORNIA ASSEMBLYMEMBERS

KEVIN MULLIN (D-22)
SPEAKER PRO TEMPORE

PHIL TING (D-19)

DAVID CHIU (D-17)

MARC LEVINE (D-10)
San Francisco State University

A Portfolio of Imperfect Options: follow-up considerations

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Fall 2020

Teddy Albinia
Chair
Academic Senate

Jennifer Summit
Provost & Vice President
Academic Affairs
Summer 2020:
- Following a steep cut in campus allocation and drop in enrollment, each cabinet area was asked to reduce its budget by 10%

- Academic Affairs covered the reduction largely with one-time carryforwards and limited cuts; now we must find long-lasting solutions that sustain permanent reductions

- Academic Affairs Council and Academic Senate Executive Committee convened to develop “Portfolio of Imperfect Options,” identifying possible solutions; task forces for faculty work assignment equity and RSO (Research Service Organizations) funding models also formed

January 2021:
- Governor will release preliminary budget proposal for FY 2021-22: together with new student applications (submitted mid-December), this will be the first indication of our 21-22 budget expectations
Key take-aways:
- Making up for this year’s 10% cut, Academic Affairs projects a shortfall of roughly $3.8M next year, but we’ll have a more accurate estimate in Jan 2021.

- While the university was hurt by the reduction in our state allocation and drop in enrollment, Academic Affairs was already working under a structural deficit; our cost reductions, then, should both address our budget shortfall and correct the structural deficit in order to create long-term sustainability.

- The “Portfolio of Imperfect Options” lists areas of significant potential savings: while no single option will solve our fiscal challenges, the right combination of options will likely do so, if calibrated at the right levels and followed up with careful monitoring and assessment.

- SF State has exceptionally strong academic programs and remarkable, world-class faculty who are passionately committed to our mission; our goal should be not simply to survive this crisis but to draw on our strengths and build a solid foundation for our future thriving.
How will AA realign its costs and budget?

Process and timeline

**Summer 2020**
Academic Affairs Council and Academic Senate Executive Committee Produce “Portfolio of Imperfect Options”

**Fall 2020**
Chair Albinia and Provost Summit gather feedback from:
- Department Chairs
- College Councils
- Associate Deans
- Academic Senate
- Open forums
- UBC (University Budget Council)

**End of Fall 2020**
AA Council and Academic Senate Ex Comm review feedback, refine “Portfolio of Imperfect Options,” and plan implementation

**End of Fall 2020/Beginning of Spring 2021**
Provost issues directive memo with guidelines, goals, and benchmarks, as well as assessment measures
Preliminary Estimate: Academic Affairs
Budget Gap for FY2021-22

<table>
<thead>
<tr>
<th>Preliminary estimated budget gap (FY2021-22)</th>
<th>$11.0M**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget reduction actions (impacts on budget)</td>
<td></td>
</tr>
<tr>
<td>Staff layoffs (assume full year)</td>
<td>$1.7M</td>
</tr>
<tr>
<td>MPP layoffs (assume full year)</td>
<td>$.56M</td>
</tr>
<tr>
<td>Faculty retirements and resignations (estimate based on prior year)</td>
<td>$4.6M</td>
</tr>
<tr>
<td>suspension of presidential awards</td>
<td>$0.30M</td>
</tr>
<tr>
<td><strong>Budget reduction efforts (sum of impacts)</strong></td>
<td>$7.2M</td>
</tr>
<tr>
<td><strong>Total amount by which budget gap is reduced</strong></td>
<td>$7.2M</td>
</tr>
<tr>
<td>Remaining budget gap to be filled for FY2021-22</td>
<td>$3.8M</td>
</tr>
</tbody>
</table>

**Estimated by adjusting the FY2020-21 base budget of $151.9M to $155.5M to reflect the carryforward funds and other budget adjustments that were utilized to supplement the base (e.g., $6.7M for FY2020-21 lecturer expenditures, operating expenses supplement, savings from retirements and resignations). To estimate the FY2021-22 budget we anticipate a further 5% reduction in the FY2020-21 base budget, leaving a preliminary working budget estimate of $144.5M for FY2021-22. The FY2021-22 funding gap reflects the difference between $155.5M and $144.5M.**
Academic Affairs Actual Expenditures FY2019-2020

- T/TT faculty salaries: $80.5M
- Lecturer faculty salaries: $29.5M
- MPP salaries: $8.7M
- Department chair salaries: $4.4M
- Support staff salaries: $29.4M
- Student/grad assistants: $3.3M

- Teaching associates: $2.0M
- Equipment: $1.5M
- Instructional equipment: $0.428M
- Operating expenses: $11.0M
- Software: $0.815M
- Space rental: $0.235M

Total: $171.84M
Portfolio of Imperfect Options

Reduce Administrative Costs
1. Reduce MPPs
2. Re-engineer/ eliminate costly processes
3. Consolidate offices and functions
4. Share resources
5. Reduce RSOs’ general fund administrative costs
6. Reduce consultants

Reduce Instructional Costs
1. Develop system of sustainable curriculum delivery
2. Rethink faculty workload balance
3. Thoughtfully increase class size and enrollments
4. Coordinate and consolidate GE offerings
5. Assess assigned time
6. Assess low-enrolled and duplicative programs
In progress: Administrative Cuts in Academic Affairs

Reduce Administrative Costs

1. Reduce MPPs
   - In progress through spring 2021

2. Re-engineer/ eliminate costly processes
   - Develop cross-cabinet staff task force to identify opportunities

3. Consolidate offices and functions

4. Share resources
   - #3 and #4 underway following redefinitions of work after staff layoffs and vacancies

5. Reduce RSOs’ general fund administrative costs
   - Pending recommendations from UBC task force (second reading, 12/17)

6. Reduce consultants
   - Currently assessing spending and identifying opportunities to reduce
For discussion: instructional savings

Reduce Instructional Costs

1. Develop system of sustainable curriculum delivery
2. Rethink faculty workload balance
3. Thoughtfully increase class size and enrollments
4. Coordinate and consolidate GE offerings
5. Assess assigned time
6. Assess low-enrolled and duplicative programs

Instructional cost savings =
- Reduce overall number of sections taught
- Prioritize sections that students need
Actions to consider:

1. Develop system of sustainable curriculum delivery
   - **Short-term interim solution:** limit non-required courses, prioritize student enrollment need
   - **Longer-term, lasting change:** promote curriculum redesign to minimize overall number of sections and prioritize teaching in sections/areas that are required for student degree progress

2. Rethink faculty workload balance
   - **Pending recommendations from faculty work assignment equity task force:** establish consistent and transparent accountability for WTUs devoted to research and service
   - **Pending recommendations from faculty work assignment equity task force:** establish guidelines supporting equitable distribution of teaching assignments

3. Thoughtfully increase class size and enrollments
   - **Short-term interim solution:** increase class sizes within every area possible
   - **Short-term interim solution:** campus-wide minimum enrollments by section category and level
   - **Longer-term, lasting change:** programs develop plans to balance course enrollments across curriculum while prioritizing equitable student learning, degree progress, and retention/graduation

4. Coordinate and consolidate GE offerings
   - **Short-term interim solution:** observe minimum enrollments in GE, increase enrollments and consolidate sections where possible
   - **Longer-term, lasting change:** departments review UD GE offerings and reduce where need is low

5. Assess assigned time
   - **Pending recommendations from faculty work assignment equity task force:** assess and possibly restrict assigned time in targeted areas
   - **Pending recommendations from faculty work assignment equity task force:** develop and observe consistent, transparent process for reviewing, approving, and reporting assigned time

6. Assess low-enrolled and duplicative programs
   - **Short-term interim solution:** limit new program development
   - **Longer-term, lasting change:** colleges review low-enrolled programs and develop integrated plans for program development, consolidation, and possible discontinuation, keyed to enrollment and workforce projections, aligned with 3-5 year faculty hiring plans
UBC Research & Service Organization (RSO) Workgroup update

(second reading)

Dr. Genie Stowers
UBC faculty member and RSO Workgroup Lead

Public Administration Program / School of Public Affairs & Civic Engagement (PACE)
RSO Workgroup Presentation
University Budget Committee
Update in 2nd Reading

December 17th, 2020
RSO Workgroup Presentation

Agenda

1. Members
2. Principles
3. RSO Policy Recommendations
   1. With 2 updated recommendations
4. RSO Cost Savings Recommendations
RSO Workgroup Members

- Andrew Carrillo
  - President, Associated Students
- Ian Dunham
  - Faculty, Management Department
- Sylvia Piao
  - University Controller
- Gitanjali Shahani
  - Chair, Department of English
- Genie Stowers, Workgroup Convenor
  - Faculty, School of Public Affairs and Civic Engagement
- Michael Scott, AVP for Research (Consultant to RSO Workgroup)
Working Principles

• All RSOs contribute to the richness of our intellectual and scholarly life at SF State

• RSOs are no more or less responsible for solving our fiscal crisis than other units in the University.

• The University is currently in a fiscal crisis; all parts of the University should contribute to solutions to this crisis.

• Given the extreme variability of the RSOs and their funding structures, and the short time frame available to this Work Group, it is not appropriate for this Work Group to recommend specific cuts in specific RSOs.
The existing RSO policy is at
https://research.sfsu.edu/rso_policy

The policy should be updated to incorporate requirements for stronger financial reviews and financial sustainability.
• Periodic reports of actual costs and revenues need to be made to RSOs from ORSP so that all parties are operating on the same information.

• A University policy needs to be developed to provide policies and practices for all non-1600 Holloway campuses: the use of General Funds to cover costs there and the responsibilities of students taking classes at these other sites would be two important topics.
Recommendations for the RSO Policy—Existing RSOs

• Must have a plan within 6 months to become self-sustaining
  • Self-sustaining is defined as no additional use of University General Funds for release
time, salary, benefits, student employment, and/or other expenses except for space.
  • Move all non-salary expenses, including student employment, to external funding over
time.

• Must become self-sustaining within 3 years; extension, exemptions, or exceptions may be
approved by the President.
  • Reviews of RSOs should more clearly focus on self-sufficiency in a way that includes
release time, salary, benefits, student employment, and/or other expenses.

• If self-sufficiency is not accomplished, the RSO must report to the President to explain their
status and the President may grant an extension, exemption, or exception (see above).
• Often, faculty want to create a center or institute (RSO) to accomplish certain aims. They should be encouraged to consider other possibilities besides these very specific and resource-intensive types of organization.

• When starting up an RSO, any proposals for initial seed funding from the General Fund and a realistic timeline for financial self-sustainability should be incorporated into the initial proposal. This portion of the proposal would need to be approved by the jurisdictional administrator prior to the overall approval of an RSO.

• No more than three years should be allowed for a new RSO to become financially self-sustaining.
<table>
<thead>
<tr>
<th>Enrollment / Budget</th>
<th>Budget Situation Remains the Same or Worsens</th>
<th>Budget Situation Improves (more CARES funding or increased State funding)</th>
</tr>
</thead>
</table>
| Enrollment Numbers Remain the Same or Worsen | *Scenario 4-Most Dire*  
More cuts will be needed from every unit on campus | *Scenario 3-Middle Ground*  
*Budget Improvement*  
Some cuts will still be needed |
| Enrollment Numbers and/or Retention Rates Improve | *Scenario 2-Middle Ground*  
*Enrollment Improvement*  
Some cuts will still be needed | *Scenario 1-Most Optimistic*  
Fewer fiscal reductions will be required |
Potential Budget Decisions and Outcomes Dependent on Larger Environment of Macro Enrollment and Budget Scenarios

Scenario 1-Most Optimistic
• RSOs receiving General Fund monies should make decisions on how and where to cut 2.5% of their budget and forward those decisions to their VP.

Scenario 2-Middle Ground Enrollment Improvement / Scenario 3- Middle Ground Budget Improvement
• RSOs receiving General Fund monies should make decisions on how and where to cut 5% of their budget and forward those decisions to their VP.

Scenario 4-Most Dire Recommendations
• RSOs receiving General Fund monies should make decisions on how and where to cut 10-15% of their budget and forward those decisions to their VP.
PUBLIC FORUM
15 minutes, three minutes per speaker

Please:

✓ “Raise your Hand” (found on your Participants menu, lower left corner)
  Unmute yourself when called upon to speak. For transparency, please begin with your
  name, title, department or campus affiliation, then Mute when finished, to reduce noise

✓ Limit to one question, so everyone has a chance to speak.
  You can “Raise your Hand” again with a follow up question, if time allows.

✓ Thank you for sharing this space respectfully with our community members ~
We appreciate your interest in our University’s budget process and the service of our UBC members and guests, in support of our students, and all our Gator families.

Check our UBC webpage for presentation materials and meeting updates:

https://adminfin.sfsu.edu/ubc