



University Budget Committee Meeting Minutes

Date: Thursday, January 28, 2021

Location: via Zoom

Members Present: Voting members present: Interim VP & CFO Jeff Wilson, Co-Chair, and Provost & VP Jennifer Summit, Co-Chair, Interim VP Beth Hellwig, VP Jeff Jackanicz, VP Jason Porth, Dean Amy Sueyoshi, Jennifer Daly, Mary Menees, Dylan Mooney, Evrim Ozer, Renee Stephens, A.S. President Andrew Carrillo and VP of Finance designee Carter Paulina Roa, Ian Dunham, Andrew Ichimura, Kathleen Mortier, Gitanjali Shahani, Jerry Shapiro, Genie Stowers, Senate Chair Teddy Albinak, Michael Goldman, Darlene Yee-Melichar. Non-voting members: President Lynn Mahoney, Elena Stoian, Dwayne Banks, Maria Martinez Cesar Mozo, Mirel Tikkanen, Venesia Thompson-Ramsey, Tammie Ridgell, Jamil Sheared, Sandee Noda.

Members Absent: Deborah Elia, Jaime Haymond, James Martel, Lark Winner, UAPD representative

Committee Staff Present: Nancy Ganner, Edwin Critchlow (Budget Administration & Operations)

Guests Present: (list of all attendees furnished upon request)

Accompanying presentation to read concurrently and can be found here: [UBC Meeting Presentation Jan. 28, 2021](#)

UBC Co-chairs called this meeting to order at approximately 10:04 A.M.

Agenda topic # 1 – Welcome from Co-Chairs

- **Jeff Wilson** and **Jennifer Summit** welcomed committee members and meeting guests.
- **Jeff Wilson** remarked this meeting will share the planning and budgeting cycle thus far, as campus is still in the information-gathering stage of the 2021-2022 budget plan.
- No action items this meeting, but the February meeting could be 3-hours as there may be several action items as planning progresses and more is learned about the federal funding and other initiatives. Agenda is determined by the UBC Steering Committee as the Feb./Mar. planning and budgeting process builds a tentative '21-'22 campus budget, expected about mid-May.
- Reminded that although the UBC advises the President on budget matters, and the President's Cabinet provides direction to the divisions around budget development, the teams of budget officials in the colleges and departments around campus actually help build the budget plan.

Agenda topic # 2 – Approval of minutes from Dec. 17th, 2020 meeting

- **Jeff Wilson** requested approval of the meeting minutes. (past meeting minutes are found here: [UBC webpage](#))
- Members Genie Stowers and Darlene Yee-Melichar requested corrections.
- Voting members motioned to approve as amended; seconded and passed.

Agenda topic # 3 – Opening Remarks from President Mahoney

- **President Mahoney** welcomed all to Spring 2021. Governor released budget and some federal aid was released. Governor's budget didn't meet what the CSU asked, but a bit better than expected. Reminded Federal aid is one-time funding, and is helpful with the increased cost of COVID-19 expenses.

- University still has work to do internally to address its own deficit. New Chancellor announced at recent Board of Trustees (BOT) meeting there will be no furloughs across CSU and a goal is for no further layoffs, but it depends on the final Governor's budget remaining as released or improving. Intense advocacy continues and encouraged all labor unions to help, and continue to push for more recurring funds (year after year) instead of one-time funds (once only), which only help in the short-term.
- Fall 2021 goal is to offer as many classes as the university safely can, as guided by SFDPH. Most of the questions remain unanswered re: vaccinations. Unlikely they can be required, but may be for campus access. Will communicate when has answers. University will have an independent vaccination site on campus to help vaccinate those in the community according to guidelines. University Planning group will host a series of small listening sessions, where campus members can share concerns and questions.
- Thanked Tom Enders for his hard work with Enrollment Management and undergrad studies, as he will retire in February. Katie Lynch will be the new Senior Associate Vice President beginning early February.
- Reminded all that the need for new enrollment is important, but retention and graduation of current students is the most important. This is #1 goal, as well as a safe Fall opening. This is the university focus now.
- Thanked the UBC for their work and guests for attending the meeting.

Agenda topic # 4 – 2020-2021 current year budget review

(see slides 4-19)

- **Jeff Wilson** began his presentation:
- Revenue review by Cabinet division of the current year '20-'21 budget: Table presents budgeted revenues 2019-2020; Universitywide are tuition and fee revenue, and where state appropriation is recorded- which is why it's the largest share of revenue. Other revenue is based on different ways units generate revenue, such as what the Foundation provides the Advancement division to support their operations. Change shown from '19-'20 to '20-'21 is primarily from a decrease in state funding and declining tuition/fee revenue, based on lower enrollments.
- Expenditure review by Cabinet division: overall the university planned for a 7% reduction in expenditures, taking into account all actions to date, including the hiring chill, cancelling some deferred maintenance projects, lowered utilities from campus closure due to the pandemic, and the impact of layoffs and MPP non-retentions.
- Campus Budget Review: summary shows a budget deficit. As noted in prior meetings, the plan is to use \$7.7M from reserves to address the \$12+M deficit. There is still \$4.4+M of deficit to cover, primarily related to shortfall of the layoffs and MPP non-retentions. The UBC will work to advise President of a strategy to cover the remaining \$4.4+M deficit. With lack of federal funding, deficit may need to be covered with more reserve funds.
- Budget Revision 1: One of the annual revisions made to the budget include covering commitments (such as contracts, purchase orders, etc.) made in the prior year, resulting in a budget adjustment in expenditures.
- **Genie Stowers** asked about the source of revenue increase as shown for Academic Affairs, and if the Budget Revision added to the deficit.
- **Elena Stoian** responded the revenue comes from Open University's special sessions and endowments. For the question about adding the budget revision to the deficit: the revisions don't add to it, because funds were allocated to cover it from the reserves in the year they were recorded.
- **Elena Stoian** presented the final slides for the '20-'21 Fall Current Year Projection (CYP) Review: showed introduction summary slide, then showed the Fall CYP slide for campus totals. Further slides showed each Cabinet division's revenues and expenditures, per their allocation performance to the revised budget, all showing a positive variance to their revised budgets, but Universitywide showing a negative variance. This is primarily due to prior-year adjustments in retirement benefits, held centrally, which may need to be reimbursed back (depends on Governor's budget May revisions).

- **Darlene Yee-Melichar** commented that the ASCSU met with Chancellor Castro, who met with Biden transition team and they are looking at increasing maximum awards for Pell Grants and the Dream Act, giving Dreamers access to federal funding. Asked if that will that help alleviate the funding situation due to (low) student enrollment.
- **Elena Stoian** responded it might help, because access will be extended for students, however enrollment is driven not only by access for those students, but also by (changes in) the yield of student populations and other factors, as noted recently by President Mahoney.
- **Jeff Wilson** noted that of the Cabinet divisions shown, Enrollment Management is shown separately from Student Affairs, and these Enrollment Management's figures are based on their staff for financial aid, enrollment services, registrar's office, etc.

Agenda topic # 5 – 2021-2022 Governor's budget proposal

(see slides 20-40)

- **Jeff Wilson** introduced parts of his presentation as follows:
- Overview of Governor's Proposal: the Governor's budget proposal is the 2nd major event in the budgeting process (first is when the BOT makes their budget request to the Governor/Legislature in November, then in January this first budget proposal for the CSU is received). Stressed that this first slide shows the recurring base funding, not the one-time funding, for the CSU, noting a \$144M increase in recurring funds (SF State's share is \$7.25M). Also noted he included the Tuition and other fee revenue, but this is not from the Governor's budget; simply added to show how it's comparable to those revenue funds.
- Next slides shows the BOT request - the colors show the components of the request and categories. The question marks represent earmarked funds, not for general use. X's represent funding in the proposal that will have minimal-to-no campus impact.
- The following slides present info that has been interpreted for campus impact from the governor's budget proposal, based on historical trends, risk assessment, campus-based analyses and estimates, and it's important not to share this information without this context. Will not be used for planning purposes without sufficient information from the CO – estimated to present how the current proposal *might* impact the campus.
- Slides note cost increases on campus, including costs for the AB1460 Ethnic Studies Requirement and opening of the new Marcus Hall, taking on its operations and maintenance. All costs add up to over \$6M, using most of the increased allocation of \$7.25M received from the Governor's budget. That leaves about \$1.2M of funding not already assigned to mandatory costs. Estimates will improve as more information is received and ultimately SF State's allocation (determined by the CO, not the campus). It's still very early in the process.
- With the \$144M in CSU recurring funding, the Governor also proposed \$225M in one-time funds, categorized as shown, including the Computing Talent Initiative at Monterey Bay, then shows what portion SF State *might* receive, based on historical estimates.
- Slide presented possible strengths and opportunities in budget planning, if the Governor's proposal remains as proposed, or improves, and also potential challenges and vulnerabilities based on the present, stressing the future still unknown and anticipating predicted State deficits. 'Looking ahead' scenarios, including delays in information may be expected.
- **Darlene Yee-Melichar** asked about the Common Learning Management System as listed on one of the slides; since SF State is not receiving funding for this, and if that meant retention of the current system, iLearn.
- **Jennifer Summit** responded there have been discussions to implement a common leaning system, but funding is not enough to implement a systemwide change.

- **Darlene Yee-Melichar** replied as faculty, she's happy with iLearn and moving to a new system at this time, after quickly shifting to remote learning, may be detrimental.
- **Jennifer Summit** shared this feedback is consistent with other faculty feedback she's received.
- **Sandee Noda** remarked she heard Chancellor Castro state that if assumptions for State and federal support hold, he will not support a systemwide furlough program and do everything he can to avoid additional layoffs of permanent CSU Staff or faculty, due to lack of State funds. Inquired as to the significance of the word "permanent", and if it was known if he meant permanent staff vs. temporary staff.
- **Jeff Wilson** responded he had not heard that statement, but would ask, to try to provide an answer to the UBC.
- **Genie Stowers** requested clarification of her understanding; all divisions cut their budgets, but when summarized, even with a positive variance from all divisions, the overall universitywide variance is still negative, due to benefits. An increase in federal funds is great, but so much is one-time funding that doesn't help with the deficit. The remaining deficit this year will be covered by reserve funds, as recommended by the UBC last year.
- **Jeff Wilson** replied that her understanding is generally correct with one caveat; the Fall review is the earliest of the year and as the year progresses, estimates will become clearer. Fall looks, "optimistic", so far, but there are savings listed for vacancies not filled yet, some units have planned for minimal travel or related costs for face-to-face instructional activities that haven't happened yet. Recommends holding off before summarizing the position the Fall review reflects.
- **Amy Sueyoshi** indicated some colleges have been spending down their reserves, and if federal funds might be used to replace those reserves to cover costs, as they are used as cushion for future years.
- **Jeff Wilson** responded they would not be replaced with federal funds, as the rules and regulations tied to those funds must be related to the pandemic. Similarly, those funds cannot be used to cover the remaining \$4M deficit.
- **Jennifer Summit** clarified that colleges do not hold reserves – they are held at the institutional level and should not be maintained. When there are carryforwards, they will be used to meet the needs the next year.
- **Gitanjali Shahani** asked about AB1460 finds and if that would be used for.
- **Jeff Wilson** commented the number is based on the whole CSU system.
- **Jennifer Summit** added that this presentation is to estimate the costs, to try to align them with possible resources. The process of estimating actual costs for implementing AB1460 is still unknown, as there are a number of variables.
- **Amy Sueyoshi** requested Jeff comment on the impact to self-support programs.
- **Jeff Wilson** explained self-support programs do not receive State appropriations and are responsible for generating their own revenues, so they may be more directly impacted by student headcount. As an example, the Mashouf Wellness Center is funded with student fees, so as the number of students changes, it impacts their revenues but they are not as impacted by the State appropriation the way other parts of campus are.

Agenda topic #6 – Federal funding update

(see slides 41-43)

- **Jeff Wilson** explained what HEERF 2 is and how it differs from CARES funding. SF State's portion is approximately \$46M = \$14.4M for direct student aid and \$31.6M for institutional support, to be used with specific rules and regulations. Funds have not been received yet and once notified by the Dept. of Education for availability, Financial Aid will move quickly to get the student funding portion to students. Stressed these are one-time funds with limited uses, which generally expire one year from receipt.
- **Teddy Albiniak** asked for clarification about the HEERF and CARES funds.
- **Jeff Wilson** stated that HEERF 1 was from the CARES Act, and HEERF 2 is from CRRSAA, a separate act.

- **Darlene Yee-Melichar** asked about the rules and regulations for HEERF 2 for using institutional support funds, and if they can be used to cover the impacts of the pandemic to support losses in housing, parking, etc.
- **Jeff Wilson** shared there are many pages of rules and regulations, but at a high level, they must be related to the pandemic and cannot be used for capital improvements, as an example. There are more rules for accountability, reporting and providing significant documentation, similar to how a grant is processed. Funds may be used for those areas, if those units are in need of additional funding and if available for that purpose.
- **Darlene Yee-Melichar** commented that Chancellor Castro mentioned from his meeting with the Biden transition team that he believes there may be an opportunity for a third wave of funds for COVID assistance, and asked VP Wilson if he had more details.
- **Jeff Wilson** responded he's only heard what's been publicized in the media, that Biden sent Congress a higher education bill in his early days of office, and there's on-going legislation.
- **Jerry Shapiro** remarked that with the impact of the layoffs, the short-staffing in programs with growing-applicant such as his, he hopes this funding invites creative envisioning for repair of infrastructure complications presented in many departments across campus. The impact of the layoffs present financial cost, as well as in morale, and hopes there is timely prioritization of conversations needed for use of these funds not only at the administration level, but across departments as well.
- **Jamil Sheared** observed that it seems the \$31.6M for institutional support could basically solve campus deficit issues, as it seems everywhere lacking funding can be associated to the pandemic. Also asked for clarification about the "investment" term used.
- **Jeff Wilson** agreed those points seem valid and although the funds may help, the cost of returning to face-to-face instruction, operations and activities this Fall have not been fully considered yet. Emphasized these are one-time funds, with an expiration date, and while some costs will be covered, a funding plan is still needed for the long-term, echoing the President's focus on student retention. Regarding the term "investment of funds", it was meant as investing funds in items such as PPE, as there is no indication funds can be rolled over to next year.

Agenda topic # 7 – Enrollment update for Spring/Fall 2021

(see slides 44-55)

- **Tom Enders** presented an update on Spring enrollment and emphasizing the President's remarks about the importance of retention, looking to Fall. Highlighted optimistic Spring '21 numbers in undergrad transfers and a small increase in non-residents over last Spring. Working with the President and the enrollment team, they've reengineered the admission process, always sharing the San Francisco story, reengineered the financial aid process to get timely offers out, with a reminder they've been welcoming students in a 100% virtual format and applauded the orientation teams and faculty for their support on that. Also noted a demand for grad programs across the board, which is encouraging.
- However, the overall headcount of undergrad continuing students is significantly down, driven by low Fall enrollment. The impact is mostly to non-residents, primarily international, and CA non-residents is down as well; not surprising in this environment, but very concerning. Fall '20 to Spring '21 retention is down, and this has been an area of retention challenge. They've done a targeted reenrollment campaign messaging students, partnered with financial aid and a new student peer counselor program. They're being proactive and calling students with unused financial aid balances. A large percentage of students are taking the Spring off, given the virtual environment, with the hope to return in-person in the Fall. Any break in enrollment, especially for first-generation, low-income students, can be hard for them to return, so this needs to be included in all efforts.
- Shared a slide showing Fall '20 – Spring '21 academic year enrollment: Spring '21 students will be Fall '21 continuing students, so next Fall will be down further because of the low number of new students.

- Shared a slide showing Fall '21 applications for this campus and nearby CSU campuses. Comparatively, this campus is down 11% vs. the systemwide 5%. High school graduates and the potential student population has been declining in the Bay Area, more than Southern California. This campus parallels East Bay patterns almost exactly, which may lend insight into trends and local competition.
- Shared a slide for Fall '21 application and noting where the freshman applicants are coming from, the team has a better understanding of local students than the willingness of non-resident students who need to relocate here.
- Shared a slide showing new transfer applications for Fall '21 is down so far, which is the same systemwide. May be related to the strong Spring '21 applications, as CSU allowed flexibility for students acknowledging the disruption by COVID-19 by extending application deadlines and allowing them to enroll in Fall '21 even without the 60 units needed. Summarized hopes that all the reengineering of processes will pay off moving forward.
- Grad programs show a 67% increase in resident applications, mostly from the Bay Area. The continuing alarming factor is international applicants to grad programs, which is down significantly. Some programs have capacity limits, so that further limits the potential enrollment increase for Fall. This might improve with a more welcoming tone at the federal level, and as more concrete plans for in-person instruction are planned.
- Acknowledged Jeff Wilson's emphasis of revenue tied to enrollment. Enrollment teams will continue to be informed by new student application trends and is optimistic about the improvements underway in the enrollment process, as well as the retention trends that guide the majority of enrollment efforts. There's huge uncertainty in the COVID-19 environment right now, not knowing how much will be in-person which affect family decisions. They will continue to work on budget planning scenarios that include tuition forecasting.
- **Jerry Shapiro** advised applications for Social Work are up; they have 357 completed applications, and asked what to do about this huge increase in enrollment (at a time when enrollment is critically needed).
- **Tom Enders** suggested the Strategic Enrollment Advisory Committee might be having different conversations related to grad vs. undergrad enrollment, and this might be a focus of campus conversations.
- **Jennifer Summit** recommended having this conversation with his Dean, as she is talking with them about where they are opportunities to grow enrollment. Deans will be preparing long-term academic programs starting next year to consider where they have capacity, and how to meet that in a sustainable way.
- **Jamil Sheared** observed what seems like a disconnect between enrollment projections and the budget.
- **Tom Enders** replied he had not made any budget estimates on tuition revenues for Fall yet, but upon his retirement this week, he'll hand his information to Sutee Sujitparapitaya. Acknowledged a decline in students for Fall 2021, with much still unknown about the effect of COVID-19 and student confidence for Fall. They'll have to wait to see how Spring unfolds.
- **Genie Stowers** asked about the methodologies used to forecast student enrollment, as forecasting has been an issue at UBC, and is hoping for improvement in that area after Tom's departure.
- **Tom Enders** replied he is documenting the assumptions behind his forecasting, especially in simpler "laymen's" terms. As Spring unfolds, they can share assumptions that can be validated or changed, as progress is observed. Demystifying the enrollment projections is an educational opportunity that should be done as we move forward.
- **Evrin Ozer** asked about the larger issue of housing; even though city rents have improved a bit since the pandemic, it continues to affect employees and students choosing SF State. Shared her own experience as a commuting undergrad student. Inquired as to how a lack of fully online degree programs count against SF State, compared to other CSUs that have them.
- **Tom Enders** responded the cost of living in the Bay Area, along with some of the enrollment challenges, most believe that hybrid-learning and more fully online degree programs will be the result of this time. The vast majority of enrollment is undergrad, who are looking for at least a partial in-person experience. There are already a lot of competitors in the online learning space, but at the grad level there may be increased opportunity for fully

online experiences. However, CSU's don't seem to fare well in that competitive market. There may be potential in partial online opportunities with flexibility.

- **Jennifer Summit** agreed and added that grad enrollment is just 10% of overall enrollment; not the majority, but there are areas that can grow. Grad students appreciate the flexibility and we may have opportunities there, as faculty report greater levels of confidence teaching online.

Public Forum

- **Jeff Wilson** opened the public forum.
- **Danny Paz Gabriner** referred to housing revenues, and how it went from a surplus to a multi-million dollar deficit, and how that affects the overall campus budget.
- **Jeff Wilson** replied he was likely referring to the housing presentation made at an earlier UBC meeting (11/2020). Housing, Dining & Conference Services, and ResLife teams, are forecasting scenarios of future housing capacity based on the optimal number of students that can be housed safely, in compliance with SFDPH. At best, 10% occupancy maybe anticipated, where 60-65% is needed to cover its costs and help recover losses from last year.
- **Christian Rodriguez** asked about the possibility of additional funding, due to federal funding limits during the former Presidential administration and if under the new administration, some of those may be retroactively restored, in addition to a third wave of federal funding?
- **Jeff Wilson** responded that's a question for Government relations, as there may have to be changes in legislation to change what was signed in 2020, but there may be interest in pursuing it.

Meeting adjourned approximately 12:00pm

- Next meeting: Thursday, February 25, 2021

/nr-g