



University Budget Committee Meeting Minutes

Date: Thursday, December 17, 2020
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, Ian Dunham, Andrew Ichimura, Kathleen Mortier, Gitanjali Shahani, Jerry Shapiro, Genie Stowers, Senate Chair Teddy Albiniaik, Michael Goldman, Darlene Yee-Melichar. Non-voting members: President Lynn Mahoney, Elena Stoian, Dwayne Banks, Maria Martinez Cesar Mozo, Mirel Tikkanen, , Tammie Ridgell, Deborah Elia, Kay Gamo, Jaime Haymond, James Martel, Jamil Sheared, Sandee Noda.

Members Absent: Venesia Thompson-Ramsey, Carter Pauline Roa, Lark Winner

Guests Present: Noriko Lim-Tepper, Interim Chief of Staff, Office of the President (list of all attendees furnished upon request)

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

Accompanying presentation to read concurrently and can be found here: UBC Presentation Dec. 17, 2020

UBC Co-chairs called this meeting to order at approximately 10:02 A.M.

Agenda topic # 1 – Welcome from Co-Chairs

- Jeff Wilson and Jennifer Summit welcomed committee members and meeting guests.

Agenda topic # 2 – Approval of minutes from Nov. 19th, 2020 meeting

- Jeff Wilson requested approval of the meeting minutes. (all meeting minutes can be found here: UBC webpage)
Voting members motioned to approve; seconded and passed.

Agenda topic # 3 – Opening Remarks from President Mahoney

- President Mahoney remarked about the pandemic fatigue all are likely experiencing this semester.
Reported Governor Newsom’s budget will be out January 11th and although tax revenues were higher than expected, the state does not have a surplus and projects a deficit over the next three years due to the costs of COVID-19. Is hopeful advocacy will be strong with tax revenues predicted better than expected.
With the CSU announcement of the return of face-to-face classes in Fall 2021 and her subsequent email to campus, described the wide range of responses received from the campus community.
Stressed the university will continue to partner with SFDPH and comply with requests. CSU determined it was important to make the announcement about working towards returning to face-to-face instruction before the Governor announced his January budget proposal, and in order to offer its students, many who are despairing, some hope. Acknowledged that for CSU employees, this (remote instruction) time may be a

brief part of a long career, but for students, the time to complete their educational goals is shorter and for many, this has been 3 out of their 8 semesters already.

- Asserted the time for advocacy is now; the university community needs to send a message to the Governor and State Legislature that funding is needed to return to face-to-face instruction, as Noriko will present.
- Met with Academic Senate's Excom yesterday to begin conversations about what work needs to be done to prepare for return to campus, and to prioritize safety. Conversations need to be had with all groups, including Associated Students, Department Chairs, staff, unions, etc. The return will happen in a safe, phased process.
- Acknowledged that returning to campus may be emotionally, socially and economically traumatic for all, and will not be easy, but urged all to help handle this as a community.
- Committed to doing this together in a way that is student-centered, community-centered and complies with public health. Is confident that having begun conversations with the campus groups about the return all are ready for the intense planning process that needs to happen.
- Opened the floor to questions from the 118 meeting participants.
- **Darlene Yee-Melichar** thanked President Mahoney for comments and after speaking to students last night, they conveyed their appreciation for her messages to students, as they find it very helpful.
- **Ian Dunham** recalled in the early days of pandemic how prescient and carefully managed our response was, and also thanked President Mahoney for her early and continued management of the crisis response.
- Thanked everyone for their participation in the university budget.

#### **Agenda topic # 4 –Budget Transparency topic: Budget political context**

(see slides 6-14)

- **Noriko Lim-Tepper** offered an overview of the State of California through a political lens and how it's related to CSU advocacy.
- State of California experienced a rapid but uneven recovery from tax collections from mostly high-income workers of a predicted \$26B, reported as a "windfall".
- Factors to an uneven recovery is that is also paid high unemployment benefits, which will continue to increase due to the pandemic and vaccine rollout. Increasing State expenditures will result in a deficit, and will consider its multiyear deficits to identify its priorities.
- Displayed a chart showing how State allocated its General Fund in the 2020-2021 CA State budget, which includes only 8% for Higher Ed, shared between the CSU and UC.
- Explained the CSU engaged in early centralized advocacy efforts by the Board of Trustees (BOT), noting "campuses have the flexibility to contact members of their delegation on approved advocacy-related issues and to build relationships." SFSU Government Relations engages in year-round advocacy efforts by meeting with regional leaders in business and policy sectors to build coalition around the university to reinforce that the university is a leader in producing an educated and equitable-minded workforce.
- Displayed the CSU budget ask but 100% is never received – it is unknown
- Described the university's service area of six State officials; showed the Senators and Assembly members and mentioned the accompanying calendar of advocacy (see link below).
- Concluded presentation and opened for questions.
- **Ian Dunham** asked how advocacy process works and how it works with CFA advocacy efforts, such as successful Sacramento CFA rallies in years prior, where Chancellor White spoke,

- **Noriko Lim-Tepper** responded it's based on CSU priorities, there are opportunities to collaborate – advocacy meeting usually begins in February.
- **Genie Stowers** commented on CSU advocacy and expressed concern that in a system with so many students, alums and families, there is no engagement nor concerted effort she has heard about to have them speak to their own assembly members to help advocate for funding. That would be very powerful.
- **Evrin Ozer** commented that about 8 years ago there was a platform used in Alumni Relations (Advancement) that was sent to alum and parents, so there was a centralized effort a few times a year. As she works in Alumni Relations, they do communicate to alum every month so there's information that needs to be communicated, there's opportunity to place links to inform about the importance of political advocacy. Also, asked Noriko about the income tax "windfall", and why there wouldn't be the same predicted for next year if it's based on high-income earners and assuming they continue to work/earn.
- **Noriko Lim-Tepper** responded the Legislative Analyst's Office cannot project that years out – they can only project what the State's operating deficits may be based on the coming expenditures.
- **Darlene Yee-Melichar** asked about the BOT considering the creation of more stable funding models for Higher Ed and if it was known what that might be. ASCSU reps met recently with BOT Chair last month, who agreed and reaffirmed the belief in the transformative power of higher education, and noting K-12 Education received 24% of the State budget, might they consider looking at others funds to draw from, using Prop 98 as an example (<https://lao.ca.gov/Publications/Report/3526>).
- **Noriko Lim-Tepper** responded there are talks about sponsored legislation to allow the CSU to have more flexibility to use different accounts in their possession, but talks are still preliminary. Asked
- **Jerry Shapiro** noted in 2010, advocacy efforts included creating a list of legislators who are CSU alum and identified their campuses, then sent them personalized notes to begin strategic conversations. Added that they also connected with a number of professional organizations such as the California Nursing Association, social workers, teachers, and generated a unified list of talking points to proactively present possible scenarios how funding helps CSU goals.
- Asked if advocacy efforts can be posted on a website, such as the UBC webpage, for references coming from the LAO's office and other sources. Remarked that collecting valuable reference points would be of value, and offered to help do this.

(See meeting handout: [San Francisco State's Government & Community Relations Advocacy 2021 Calendar](#))

#### **Agenda topic # 5 – Presentation: Academic Affairs Portfolio of Imperfect Options**

(see slides 15-24)

- **Jeff Wilson** introduced this next topic as part of the foundational planning for 2020-2021, as the current budget situation was realized during that time. Explained that each Cabinet division was asked to work toward a 10% reduction in costs, based in reducing operating expenses, as well as the hiring chill (not filling vacant positions); as plans rolled out, the hiring chill complexity was based on the number of vacancies in each division; the higher the amount, the easier it was to achieve that reduction. Since Salaries/Wages & Benefits account for almost 90% of the university's general operating fund costs, there wasn't a lot to be done with operating expenses.
- Described the reductions: Administration & Finance had a 6% decrease, the President's Office, Student Affairs and Advancement 11% and University Enterprises 16%. Reiterated this was based on vacant positions and tweaking operating expenses, which left a \$16M deficit, that was addressed with workforce reductions and using reserves. Emphasized that Academic Affairs is 70% of our general operating fund budget, and due to the

nature of planning a curriculum, requires more upfront planning than the other divisions, beginning with what the Provost will present today. Concluded his introduction to share context for this specific presentation for Academic Affairs.

- **Jennifer Summit** began that this is an overview of a budget planning process Academic Affairs undertook this summer to roll out in the new year, which some may have seen it as it's been presented to other groups.
- Stated the first few slides will give a high-level overview of the challenges faced and the processes they'll follow, with details about the conclusions reached, and the last slide spells out actions considered the trade-offs and specific steps needed to bring them about. Noted that the last slide was recently updated given feedback from prior presentations, and asked for feedback from this group as well. The Academic Affairs website also has a feedback module for any suggestions or questions, which she will review (<https://academic.sfsu.edu/content/academic-budget>).
- Reviewed the Budget overview and timeline slide, noting the groups and task forces that worked together over summer in shared governance, which led to better decision-making and developed this "portfolio of imperfect options".
- On the next slide, explained a projected budget shortfall in Academic Affairs of approximately \$3.8M, an estimate used to help in planning to gauge the scope of changes needed to be made. Noted that the battle is not only the recent funding cut, but the university's long-term structural deficit, and the university headed into this crisis weaker than needed and the budget needs to be stabilized.
- Emphasized the university has exceptionally strong programs and remarkable faculty, committed to the students and its mission. The goal is not simply to survive this crisis, but draw on its strengths to build a foundation to thrive in the future.
- On the next slide, explained how Academic Affairs will realign its costs and budget, and the process and timeline, with a directive memo from her mid-January after the Governor's budget proposal is released.
- The Preliminary Estimate slide showed how the \$3.8M budget gap was estimated, and the next slide showed the 2019-2020 Academic Affairs Actual expenditures, stating reductions are needed to both administrative and instructional costs, in a way that's balanced and sustainable.
- Reviewed the "In progress: Administrative Cuts in Academic Affairs" slide, planned or currently underway, from the reduction in MPPs to the reengineering of costly processes, and the consolidation of offices and functions and sharing of resources – work that needs to be reorganized and streamlined and in the wake of layoffs. Reducing RSO's general fund costs (to be presented later), reducing consultants and are other ways to save include non-essential areas, such as travel and hospitality savings that will help towards the overall goal. Expressed a mix of solutions is needed and no option is perfect as each has its tradeoffs, but may bring stability and opportunity for growth in service of the university's mission.
- Displayed the slide "for discussion: instructional savings"; preserving educational excellence and prioritizing teaching in areas that students need for degree progress while reducing costs to build sustainability, is the hardest part. Remarked she took this presentation to the colleges and faculty, and heard acknowledgement that the balance they're trying to achieve, in cutting costs with student success, is delicate and should be done carefully, and, all targets and goals should be equitably distributed across all departments and colleges. Additionally, the need for consistency, and the creativity and autonomy to develop their own responses to these goals
- Showed the last slide, the "Actions to consider" to address the need for consistent guidelines and the balance of short-term, interim solutions to achieve cost-saving goals and also long-term changes that will take more planning, creativity and consultation in shared governance. Asked for feedback.

- **Darlene Yee-Melichar** asked about the “Actions to consider” slide and noted some can be collapsed into smaller number, to have larger discussions about faculty workload, class size/enrollment, curriculum delivery.
- **Jennifer Summit** agreed and when returning to meet with ExCom and the Academic Affairs Council will do so.
- **Gitanjali Shahani** suggested also consulting with the Faculty Work Assignment Task Force. In February their work schedule will deal with much of this so rather than wait until April to hear from them.
- **Jennifer Summit** agreed and will fold in their recommendations also into her directive memo.
- **Kathleen Mortier** asked when considering the difference between grad, undergrad and professional programs, if the task force had a GCOE member on it, to represent their ideas as well.
- **Jennifer Summit** responded there is a GCOE member on it, to get a balanced perspective of the diversity of workload expectations across the campus.
- **Jerry Shapiro** asked for further consideration of an enterprise zone; an area for innovation. CEL provides an opportunity for enrollment and generating financial support. SJSU does a great job at theirs (<https://www.sjsu.edu/extend/>).
- **Jennifer Summit** agreed and thanked for the recommendations, as the budget cuts hit this university harder than others as it hasn’t been able to draw on the revenue other campuses have when they use CEL.
- **Dylan Mooney** asked about the cut-off date for feedback for her consideration.
- **Jennifer Summit** responded over winter break (but before Jan. 1<sup>st</sup> if critical) and whenever/always, because even after the directive memo rolls out, the next stage of the process will begin, so they can continually draw on feedback throughout the process. Many of the recommendations ahead will call for further work in the semesters ahead, for example, in consolidating offices and functions and sharing resources. For those processes they will be soliciting very focused feedback, and this will not be the last opportunity to send it. (<https://academic.sfsu.edu/content/academic-budget>).

#### **Agenda topic #6 – Updates and Informational Items**

- (none for this meeting)

#### **Agenda topic # 7 – UBC RSO Workgroup recommendations (second reading)**

(see slides 25-35)

- **Jennifer Summit** noted appreciation for this workgroup’s task, as they were given little time to do an extraordinary amount of work. This report, now in second reading, will be handled as an action item as a whole, so there is limited feedback opportunity. Same process as Academic Senate.
- **Genie Stowers** thanked the workgroup members and Michael Scott who served as consultant.
- Showed the workgroup’s working principles slide and policy recommendations slide, as in first reading.
- Showed two new slides after considering recommendations from 1<sup>st</sup> reading, including reporting to RSOs from ORSP and new policy for consistency for RSO’s at non-Holloway campuses, such as funds to cover costs.
- Showed recommendations for existing and new RSOs.
- Showed Macro Enrollment and Budget Scenarios, from Most Optimistic to Most Dire, and then potential budget decisions and outcomes based on those scenarios.
- **Darlene Yee-Melichar** asked if there was a transparent funding data which lists the revenue and expenses for the RSO’s, to be able to track their sustainability over time, and who will track it (ORSP or Deans...)
- **Ian Dunham** responded the workgroup had access to some RSO details and there was a tremendous amount of variability with funding. Also, the issue of real estate costs, from the Tiburon campus to the Downtown

Campus, had vastly different responsibilities for the RSOs to fund their activities. It would have to be discussed further if that information should be shared publicly, due to the sensitivity of this issue.

- **Michael Goldman** remarked some RSOs generate significant indirect costs, and asked how that might be counted as part of their self-sustaining nature. Hopefully that's considered as part of the policy discussion.
- **Genie Stowers** agreed that if an RSO had significant revenues over its costs, that would be considered self-sustaining.
- **Jeff Wilson** acknowledged no other questions so moved to be approved as a recommendation of the UBC.
- **Jennifer Summit** again thanked the workgroup for this difficult work and stressed these are recommendations; there still needs to be consideration about how to implement them, and asked the UBC and workgroup members to help with that.
- **Amy Sueyoshi** asked how RSOs work nationally, as she heard RSO Directors are not always self-funded, especially in the humanities where funding is not as robust, such as the Poetry Center. They wouldn't have sufficient grant funding to fund a Director position. Asked for discussion, as this recommendation may actually have a negative impact on fields that are not traditionally funded by grants in a robust manner.
- **Gitanjali Shahani** responded she had that RSO in mind as well, and that's why they included a provision for exceptions and exemptions, if they could not come up with a plan for that period or whose Director is unable to, can work the President. There was extreme variation in the RSO structures and the exemptions and exceptions can account for that.
- **Genie Stowers** added that the expectations in the way we handle RSOs would have to significantly change from the way we handle them now.
- **Darlene Yee-Melichar** moved to approve the recommendations. **Dylan Mooney** seconded, other voting members approved and quorum was reached for approving the recommendations.
- **Jeff Wilson** thanked everyone for their recommendations and opened the public forum.

(See workgroup report for the UBC: [UBC RSO Workgroup Report 12/2020](#))

### Public Forum

- **Jeff Wilson** opened the public forum.
- **Jesus Ramirez-Valles** asked about the RSO recommendation and raised concern about the limited involvement of RSOs in this process, and how the social justice principles and racial representation of the university might be lost, as Dean Sueyoshi mentioned. Understands the president has the authority to grant exceptions and asked what the next steps might be. In his experience as an RSO Director (HEI), worries about the survival of RSOs with limited resources, which would further hamper their ability to attract faculty and students of color. Asked for clarification of sustainability, and commented that even if 80% of other campuses have this process, perhaps it shouldn't be the guiding principle for what this university does. To operate like UCSF, operations like theirs would be needed, and the university's mission is to be "the City's University", not an enterprise of research like UCSF is now.
- **Ian Dunham** responded in the short amount of time the workgroup had to complete this work, they did have involvement from the RSOs, who they consulted, met and communicated with, as well as the deans. They included the feedback received and decided it's not their place to recommend cuts. They thought it best to leave that to RSO leaders to discuss their plan for financial sustainability, especially due to the sensitivity of equity among the RSOs, and especially for those expected to pay expensive rent. The workgroup appreciates the opportunities RSOs provide to underrepresented groups and their research affects those communities in

positive ways, while helping students achieve the goals held at the CSU. Commended the leadership of Genie Stowers for the workgroup's difficult task in the limited time given.

- **Barbara Eaton** asked why some vacant administrator-level positions were filled during a hiring chill.
- **Jeff Wilson** responded any positions filled was due to the campus recognizing the critical nature of those positions to support campus operations and to move the university forward. The president approved every position, and the recommending VP had to fully document why that position was critical to fill.
- **Danny Paz Gabriner** asked what might be happening to recruitment and outreach, considering the presentation of the Portfolio of Imperfect Options and the advocacy work needed to increase budget allocations. Considering revenue is important, but applications are down and matriculation rates are decreasing over time, and asked what else might be done to avoid a shortfall.
- **Jennifer Summit** responded the president created a new Strategic Enrollment Advisory Committee, which is in the process of developing the first campus "strategic enrollment management plan". Will refer back to the UBC Steering Committee for an update on that process.
- **Christian Rodriguez** asked for clarification on the RSO's that pay rent, and if it applies only to a satellite campus or room they may utilize at the main campus.
- **Genie Stowers** responded it only applies to those off-campus, such as downtown or Tiburon.
- **Karina Nielsen** clarified the issue about rent at the Tiburon campus: the university owns the property and it's not a rental property; departments that have faculty there and students who take courses there, do not pay rent for use of the space. There is money that come in from grants and other sources the support operations, maintenance and upkeep of the campus. For most properties the university owns, there is a minimal base budget for maintenance but that's been missing from the Tiburon campus for 40 years. Moss Landing Marine Labs, which is a CSU level RSO, has money that comes from CO to support operations, and that's one of the challenges. Hopes that in the future they can address this unusual situation.
- **Genie Stowers** responded the workgroup understood this and it was one of the inequities that exists for off-campus RSOs. The RSO recommendation will now go to the president, and whether approved or not, these issues still need to be sorted. The workgroup did not get into many of these types of details because all the RSO situations are very different.
- **Christian Rodriguez** commented that although the CSU announced plans to return in person in Fall 2021, San Francisco has had tighter restrictions than the rest of California, and plans to return in SF might be stalled while other campuses in counties with looser restrictions return.
- **President Mahoney** responded the university will continue to follow SFDPH guidelines and host many conversations with faculty, staff, students and administrators about what is needed to feel safe for the physical return to campus. It will not be a 100% return immediately, but it's important to set goals.
- **Colleen Hoff** asked about IDC (Indirect Costs), and if RSO's bring in enough IDC it might be considered self-sustaining, but they have no control over their IDC.
- **Genie Stowers** responded this detail is not in the recommendation and is one of things that may need to change, in her opinion. The RSO's should be given credit for their IDC and it should count towards them.
- Noting no further questions, co-chairs thanked members and guests and adjourned the meeting.

#### **Meeting adjourned approximately 12:00pm**

- Next meeting: Thursday, January 28, 2021, 10:00 am – 12:00 pm

/nr-g