



## University Budget Committee Meeting Minutes

<b>Date:</b>	Thursday, February 23, 2023, via Zoom
<b>Voting Members Present:</b>	Jeff Wilson, Jamillah Moore, Jeff Jackanicz, Jason Porth, Eugene Sivadas, Jennifer Daly, Mary Menees, Dylan Mooney, Jennifer Daly, Daniel Paz Gabriner, Irving Santana, Steven Lee, Mea Montañez, Gretchen LeBuhn, Lufei Ruan, Akm Newaz, Genie Stowers, Mari Hulick, Michael Goldman, Darlene Yee-Melichar
<b>Non-voting members present:</b>	Lynn Mahoney, Elena Stoian, Dwayne Banks, Katie Lynch, Cesar Mozo, David Schachman, Venesia Thompson-Ramsey, Tammie Ridgell, Sandee Noda, Jamil Sheared, Deborah Elia, Teresa Pratt
<b>Guest presenters:</b>	Catriona Esquibel, Jack Mao, Larry Low
<b>Members Absent:</b>	Amy Sueyoshi, Alaric Trousdale, Jamil Sheared, reps for SUPA, UAPD, UAW
<b>Committee Staff Present:</b>	Nancy Ganner, Mariela Esquivel

Accompanying presentation to view concurrently can be found here: [UBC Presentation February 23, 2023](#)

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UBC co-chair VP Wilson called this meeting to order at approximately 10:01 A.M.

### **Agenda topic # 1 – Welcome from Co-Chair Wilson and Agenda review**

- **Jeff Wilson** welcomed committee members and guests. Mentioned Provost absence.
- Guests were reminded of the ways to contact UBC and upcoming Office Hours.

### **Agenda topic # 2 – Member roll call**

- Quorum established. New members welcomed: student Mea Montañez and faculty Mari Hulick.

### **Agenda topic # 3 – Approval of minutes from Dec. 15, 2022 meeting**

- Minutes approved as submitted.

### **Agenda topic # 4 – President's Message**

- **Lynn Mahoney** shared gratitude for all the student energy present on campus this week.
- What she shared last fall that might happen, will happen: Interim Chancellor Koester announced the plan to move forward with re-benchmarking of enrollment targets across the CSU. This will increase enrollment targets for campuses with high demand, and lower the targets for those that don't.
- With re-benching comes a funding reallocation plan. CSU's are funded per FTES, so those with lower targets will have a reduction in their State allocation, and those with higher will be funded to grow.
- Encouraged everyone to attend a budget briefing offered via their college or divisions to hear details. SF State can expect a reduction of \$36M in revenue, phased over 5 years to gradually align spending with current revenue. This is a permanent re-bench of enrollment targets and a resizing of the university based on current enrollment reality.
- To date, SF State, Sonoma and Humboldt have been funded for students they no longer had, while SoCal campuses were serving more students with less funding. This is the correction, but the context of underfunding remains the same, and is reflected in the low salaries paid to our employees. This remains at the top of advocacy efforts for competitive and fair wages.
- Services to students will not be diminished. Some things cannot be done any longer or have to be done differently. This will require collaborative, transparent efforts to work together to align spending with current

resources. This will cause pain for some, such as part-time lecturers, who are hired based on enrollment. When enrollment goes down, the ability to hire lecturers also goes down.

- The UBC will be the body to help realignment efforts, and has become a sophisticated group that has waded through a lot of hard things. Shared her gratitude for the work to be done.
- **Danny Paz Gabriner** asked will if current funding can be kept if projections show growth in student retention.
- **President Mahoney** replied SF State is currently 17% below its current enrollment target, and efforts to increase enrollment and retention will continue – retention is the #1 way to increase the target. Urged all to attend a budget briefing to understand details and share good ideas that can directly affect enrollment and retention.
- The first phase of the reduction is for campus to stop spending funds it can't collect in tuition, and using reserve funds to cover those costs. The 2<sup>nd</sup> phase is a 5%-10% reduction.
- The quicker SF State stabilizes its spending, the quicker it can rebound.

#### Agenda topic # 5 – Budget Update

- **Jeff Wilson** presented his budget update slides (see accompanying presentation).

#### Agenda topic # 6 – College of Ethnic Studies Budget Presentation

- **Catriona Esquibel and Jack Mao** presented their slides (see accompanying presentation).
- **Genie Stowers** asked about the budget summary operating fund and what comprised the large shift between '20/'21 and '21/'22 re: expenses. Also asked how the college incorporated Metro and whether that was success. Would have expected to see a large jump in salaries and wages due to Metro, but the decline in operating expenses is confusing.
- **Jack Mao** replied operating expenses were covered in one-time funding by NR401 from Academic Resources, so it's buried in carryforward funds. Only \$5,000 was budgeted and this fiscal year, with nothing budgeted for operating expenses. Salaries cannot be charged to operating expenses.
- **Genie Stowers** asked where the Metro incorporation can be seen.
- **Jack Mao** shared Metro came on in January 2021 with their budget. Some of their classes produce FTES. Some COES faculty don't produce FTES as they're mainly on assigned time. Also Metro has Innovation Funds, that will be spent down in a few years. Other than their general allocation, they use these funds.
- **Genie Stowers** noted Lori Beth Way put in the Chat that the full budget was transferred for Metro. It still doesn't seem to be the kind of increase expected with moving a whole department into a college.
- **Dwayne Banks** added what's shown may also be the net effect of faculty departures and Metro joining. About \$1.2M of the Metro budget is funded with carryforwards on an on-going basis, so it won't be seen here.
- **Catriona Esquibel** offered that Metro is an important component of Ethnic Studies. Students served are primarily first-generation students interested in Ethnic Studies and other inequalities. It's a growth area and they now serve up to 1/3 of SF State's FTF, offering curriculum on Critical Thinking, Intro to Race and Ethnicity, Intro to Health Disparities. It's an important program with a lot of resources. Students not already in Metro are advised how to enter into a Metro academy.
- **Danny Paz Gabriner** asked how the overall COES budget is affected with higher FTES.
- **Catriona Esquibel** explained they're assigned targets by the Office of Institutional Analytics for different general education areas. Only first-year students are required for Area F so there won't be much impact this first year. This will increase over the next four years when all students will be required to have Ethnic Studies.
- **Danny Paz Gabriner** also noted work-study funds went down from a few years ago. Asked if there was room to spend more work-study funds considering it will be reimbursed, and how that might change moving forward.
- **Jack Mao** replied they do a mid-year review to see if the work-study spending is on-target and if not, funds can be relocated to another dept. Hiring was difficult due to the pandemic and, they receive their work-study allocation

in April, too late to hire students and it takes so long, and it's too close to end of the fiscal year. They do try to spend as much as possible. When a student runs out of work-study funds, they're hired as a student assistant.

- **Darlene Yee-Melichar** asked about student scholarships or funding for recruiting or retaining students.
- **Catriona Esquibel** explained they have scholarships but they experience difficulties with Academic Works. Ethnic Studies faculty have complained about this. Scholarships help with retention. In general, all Ethnic Studies programs tend to be "discovery" majors – they don't come in expecting to major in this but once there taking General Education classes, they love it and it becomes their major, so its not really at the recruitment level.
- **Jack Mao** responded that several of their departments have scholarship funds, but since disbursement has to go through several university departments including Financial Aid, and they're short-staffed, it's difficult to disburse scholarships and takes longer to process.
- **Jeff Wilson** addressed a question in the Chat from Lufei asking why revenues are projected as negative, and clarified that figures in parenthesis are positive, not negative.

#### **Agenda topic # 7 – Lam Family College of Business Budget Presentation**

- **Eugene Sivasdas and Larry Low** presented their budget slides (see accompanying presentation).
- **Genie Stowers** asked about the accreditation fee and if it's part of the grad student fee, and if [EO 1102](#) allows funds to be spent on that.
- **Larry Low** explained the accreditation fee for AACSB membership is paid through the MBA fee.
- **Darlene Yee-Melichar** asked about LLR Awards and if they're for faculty and staff. Also, if they're the same as the noted professional development funds.
- **Eugene Sivasdas** replied the LLR Awards come from the Lam Larson funds creating 13 professorships, and all faculty/lecturers are eligible. Professional development funds come from accreditation fees and they may dip into LLR funds as needed. They do give some staff professional development funds.
- **Venoo Kakar** asked about IDC being underutilized and if there are regulations about how funds can be spent and if it's up to the researcher or department to determine how its spent.
- **Eugene Sivasdas** explained IDC is not profit; they are costs incurred by the university to support those grants, such as work by college leaders and the budget officer and other areas such as Procurement, etc. Authority is given to the department as to appropriate funding expenses, but its primarily to support department activities for student success.
- **Venoo Kakar** asked if it can be used for hiring research assistants. Asked if ORSP had any guidelines posted.
- **Michael Scott** replied there are some restrictions, such as the PI must get some money back because there are certain office supplies and computers and things that cannot be purchased, because that's specifically supposed to be covered with indirect cost returns. Some of that money has to go back. Other than that, its up to the department what they do with it. It's a college-level decision
- **Jeff Wilson** addressed a question in the Chat from Lufei asking if the Lam Family College of Business had any carryforwards, like Ethnic Studies sowed in their slides.
- **Eugene Sivasdas** replied their primary carryforwards are with their departments. IDC funds have to be returned, so they're encouraged to spend it. They have small amounts of IDC as they're not a heavy carryforward -college.
- **Larry Low** added they have little carryforward, with the help of Academic Resources. Whatever they receive from Academic Resources is spent in the same year on items such as databases, travel, software, hardware, pdf funds. They promote "use it or lose it".

#### **Agenda topic # 8 – Designated Balances, Reserves and Carryforwards DRAFT Policy – 1<sup>st</sup> reading**

- **Jeff Wilson** stated today starts the process of adopting a recommendation of this policy for carryforwards to the president for approval. Brought to UBC twice as an informational item, it now enters the recommendation process. Members received a copy of the draft policy [also has been posted to the [UBC public website](#)]. At this

First reading, members/guests may suggest changes. Policy is intended to set parameters and expectations for how carryforwards and reserves will be used.

- Since the last UBC meeting, he received one comment. The draft policy notes there are percentages for carryforwards set at 3% and 1%, and the comment suggested increasing that to 4% and 2%. As the purpose of the policy is to minimize carryforwards and not encourage planning for carryforwards, which setting higher percentages would encourage, he recommends leaving the percentages as drafted.
- Opened the floor for questions from members then guests.
- **Darlene Yee-Melichar** agreed the policy looks good and is comprehensive, following regulations set by campus and the CSU. Asked about data collection and if the policy workgroup researched what other campuses do regarding the percentages.
- **Jeff Wilson** replied the workgroup did that work in 2020-2021 on a broad spectrum, and this policy is the most specific in terms of the percentages. Carryforwards don't exist on most campuses – they're automatically pulled back centrally, as described in the policy.
- **Michael Goldman** asked if the policy includes funds other than General Fund, including IDC funds. Hoped that units affected by the policy will comment in this first reading.
- **Jeff Wilson** responded that carryforward does refer the general operating fund, as other funds operate differently in terms of designated balances. It is not applicable to IDC.
- **Danny Paz Gabriner** asked what the effect of the policy might be if it were implemented. For example, Ethnic Studies may have large carryforwards if Metro and HEERF funds are included, and the Lam Family College of Business may have small carryforwards. How would this policy affect those situations?
- **Jeff Wilson** explained the desired impact would be budget efficiency, so carryforward balances would be reviewed to see what's going right or wrong in their budget planning to minimize the carryforwards. The policy also encourages transparency around the reporting and uses of carryforwards. Those are the two primary reason to have this type of policy. Units would have more central control of carryforwards at the division level.
- **Genie Stowers** agreed carryforwards are unusual [at universities] and they're not a standard way of operating. If they happen, it may be a sign of poor management strategy. That they were allowed to exist at SF State colleges has created a dependency on them. This policy is a good idea. Carryforwards undercut transparency and accountability by allowing large balances/extra funds beyond the approval process. Encouraged UBC members to support this policy, and hopes the budget office and Dwayne Banks will work with the colleges over time to make the needed shifts.
- **Dwayne Banks** agreed and his office is working to achieve what she stated. This began under different Provosts and Deans and will take some time to reduce the dependency on carryforwards as part of their budget structure. Thanked Elena Stoian for incorporating the PBC system which is a budget planning cloud-based system into the budget planning process. A coherent budget is needed to implement effective planning.
- **Lori Beth Way** noted even great budget planning, areas may still end up with unused funds (carryforwards) with job vacancies as employees come and go. Asked if they can still designate funds for programming in the following fiscal year, so the funds can be reserved (gave the WASC reaccreditation process as an example).
- **Jeff Wilson** confirmed this can still be done.

#### Agenda topic # 9 – Public Forum

- **Yvonne Bui** asked for clarification on the \$36M reduction in state allocation over 5 years, and if the campus will be trying to increase enrollment at the same time the reduction is happening.
- **Jeff Wilson** replied there will be a 5% reduction of State allocation funds each year for the next 3 years, beginning 2024-2025, totaling a 15% reduction in funds which is about \$27M.

- On the enrollment side for tuition revenue, a 4% enrollment growth is anticipated each year so there will be a modest increase in tuition fees to offset the reduction from the State allocation.
- **Yvonne Bui** asked about implementation of the reductions on campus at the college level, if expected to keep growing at the same time as the reductions, but with less resources.
- **Lori Beth Way** replied it's a 1% increase enrollment plan per year for the entire university.
- **Katie Lynch** added enrollment is projected to grow over the next 5 years and shared the link for the *Strategic Enrollment Management Plan*: <https://em.sfsu.edu/strategic-enrollment-management-plan>
- Growth will be accomplished using current efforts, but currently enrollment is down by 17%. That gap is projected to decrease to 13% [as enrollment increases]. That will happen at the same time funding decreases. The enrollment growth pace is not going to see financial recovery to mitigate the reduction and campus resizing needed.
- **Kati Murphy** noted the presenters expressed difficulty recruiting students using work-study funding and has experienced the same. Asked for data of work-study funding annually for eligible students.
- **Katie Lynch** said she would share data at the next UBC meeting as a follow up item. VP Moore has been working with work-study allocations processes and the efficacy of those funds, in partnership with Financial Aid.
- **Sandee Noda** asked if the CSU proposal for CSUEU staff compensation increase will be factored into the budget.
- **Jeff Wilson** replied the Chancellor's Office ("CO") will provide direction on that, not at the campus level.
- **Sandee Noda** asked that if the minimum is where the bargaining starts, why not include that in budget planning.
- **Jeff Wilson** responded these things aren't included in budgets until they receive direction from the CO.
- **Sandee Noda** asked if vacant positions are part of the budget planning process. Stated there are likely 100 vacant staff positions and perhaps 100 more that aren't posted.
- **Jeff Wilson** replied all positions are part of the planning and strategy to address the \$36M resizing needed over the next 5 years.
- **Sandee Noda** shared an example from her department at SAEM of 10 vacant positions, and asked if those will be included as part of the budget process even though unfilled.
- **Jeff Wilson** responded those decisions for 2023-2024 are at the division level.
- **Danny Paz Gabriner** asked for clarification about the budget presentation; if 15% reduction in the State allocation might be \$220M, but it seems to be just \$33M. Similarly, 5-year projections show salary reductions should be about \$25M, so was curious about the plan for the other \$10M-\$11M.
- **Elena Stoian** replied when looking at the State reduction, there is also the reduction in revenue from enrollment being 17% below the Chancellor's Office target. Expenditures are a different percentage because expenses are already higher than the resources.
- **Danny Paz Gabriner** also asked about the \$36M resizing, but the chart showing that changes to salaries, which is 90% of our budget, shows only \$25M.
- **Elena Stoian** explained salaries (the \$25M shown) include other expenditures, such as benefits, which are not managed by the units. Whatever decisions the units make in reductions will also impact the benefits.

**Co-Chair adjourned the meeting approximately 11:56 AM**

- Next meeting: Thursday, March 16, 2023 from 10:00 AM – 12:00 PM via Zoom

-end (nrg)

### **From the Chat:**

09:59:57 From Irving Santana to Everyone: Good morning everyone!

10:00:12 From Alex Hwu (he/him/his) to Everyone: Morning

10:00:31 From Mary Menees to Everyone: Good morning!

10:00:39 From Catriona Esquibel (she/they/x) to Everyone: Good morning, everyone! Love the music!

10:00:53 From Mari Hulick (she/her) to Everyone: Good Morning. Is this Mission Impossible?

10:01:42 From Michael Goldman to Everyone: Good morning!

10:02:02 From NRG screenshare to Everyone: @Mari - yes - we prefer "Mission Possible"!

10:02:17 From Mari Hulick (she/her) to Everyone: :-)

10:09:39 From Mari Hulick (she/her) to Everyone: Thank you Genie!

10:33:03 From Sutee Sujitparapitaya to Everyone: Headcount means "#Seats" in classes, offered by departments in Ethnic Studies

10:34:59 From Sutee Sujitparapitaya to Everyone: In the Enrollment Slide, the term "Census" means the official enrollment numbers at the census date.

10:41:25 From Nancy Ganner to Everyone: This is the Member forum time - guest questions about this budget are welcome in a few minutes

10:44:14 From LB Way to Everyone: The full Metro budget was moved in tact from DUEAP to CoES.

10:44:30 From Member, Lufei Ruan to Everyone: What does the negative revenue mean in this budget?

10:46:48 From Member Mari Hulick (she/her) to Everyone: Thank you for the presentation

10:50:31 From Katie Murphy to Everyone: Recruiting work-study student assistants has gotten much harder since the pandemic. It seems like fewer students are eligible for work-study.

10:51:23 From member, Katie Lynch (she/her/hers) to Everyone: Financial aid has brought in some assistance to help us refine Academic Works to help smooth out the process.

10:51:56 From Gabriela Segovia-McGahan (Administrative Analyst/Specialist) to Everyone: Side note: Work study funds are federal student aid and we are providing San Francisco City's minimum wage:

<https://sf.gov/information/understanding-minimum-wage-ordinance#>

10:53:06 From LB Way to Everyone: Africana Studies has an advancement campaign going right now if anyone wants to contribute!

10:53:24 From Alex Sanchez to Everyone: ONE DAY LEFT to support our MAKING BLACK HISTORY campaign. Our Africana Studies faculty members are leaders in their respective fields and support current students exploring Black history and culture. Make your gift by midnight tomorrow: <https://www.givecampus.com/5wyoob>

10:53:36 From Catriona Esquibel (she/they/x) to Everyone: Yes: Make Black History this week!!

10:53:48 From Alex Sanchez to Everyone: The funds support scholarships for students in Africana Studies.

10:57:49 From Nancy Ganner to Everyone: we'll restart in 2 mins.

11:28:21 From Nancy Ganner to Everyone: IDC = indirect costs

11:28:59 From Michael Scott to Everyone: Some of the IDC must be used to support the grant work. The PI cannot purchase paper, pens, notebooks, office supplies with Federal grant funds. That must be covered by IDC.

11:29:24 From Member, Lufei Ruan to Everyone: Just curious: does LFCoB has carry forward funds like what Ethnic Studies show in the slides?

11:32:11 From Member, Lufei Ruan to Everyone: Thanks Eugene and Larry for clarification

11:33:26 From Nancy Ganner to Everyone: Guests: this document is also posted on the UBC webpage

11:35:08 From Nancy Ganner to Everyone: UBC webpage for reading and sending feedback about any topic:

<https://adminfin.sfsu.edu/university-budget-committee-o>

11:44:49 From NRG screenshare to Everyone: Staff: please attend the Staff "UBC Office Hours" tomorrow:  
<https://sfsu.zoom.us/j/84816533577?pwd=NVdleS9YY2RGQ3BxRWNOS1VGSjFqQTog>

11:45:53 From NRG screenshare to Everyone:  
Time: 11am - 12pm on Zoom tomorrow. Details for Staff UBC Office Hours: Meeting ID: 848 1653 3577  
Passcode: UBC123

11:46:57 From Member - Michael Goldman to Everyone: Project to grow enrollment 3-4% over time, not annually.

11:47:01 From NRG screenshare to Everyone:  
Faculty or MPP are invited to their "UBC Office Hours": Also at 11am - 12pm over Zoom. Join Zoom Meeting  
<https://sfsu.zoom.us/j/84228510991?pwd=cGltMlF4VnBldDdQZoUrN1JVZkl2dzog>  
Meeting ID: 842 2851 0991  
Passcode: UBC1899

11:48:02 From Member Teresa Pratt to Everyone:  
Thanks so much. Can you also say a bit (or share something to read) about how you make enrollment predictions?

11:48:10 From Member - Jennifer Daly to Everyone:  
Replying to "Time: 11am - 12pm on..." The link itself seems to be missing. Could you re-post?

11:48:40 From Member Danny Paz Gabriner to Everyone:  
17% below target aiming to get to 13% below target

11:49:11 From member, Katie Lynch (she/her/hers) to Everyone:  
Strategic Enrollment Management Plan: <https://em.sfsu.edu/strategic-enrollment-management-plan>

11:49:19 From NRG screenshare to Everyone:  
Replying to "Time: 11am - 12pm on..." Thanks! Here it is: Join Zoom Meeting  
<https://sfsu.zoom.us/j/84228510991?pwd=cGltMlF4VnBldDdQZoUrN1JVZkl2dzog>

11:49:53 From Member Danny Paz Gabriner to Everyone: A very large number of students are work study eligible.

11:50:01 From Member, Dylan Mooney to Everyone: Great Question!

11:50:11 From LB Way to Everyone: @Teresa - Katie and I will be reviewing how we've made these enrollment projections in the budget briefings that we're doing by division and college.

11:53:49 From LB Way to Everyone: @Teresa - you can also find the slides in the November UBC meeting. We presented the projections then. They're posted on the UBC website.

11:55:11 From member, Katie Lynch (she/her/hers) to Everyone: We shared the 5 Year Enrollment Projects during the November UBC meeting- the link is here on the UBC site. Slide 24.  
<https://adminfin.sfsu.edu/sites/default/files/documents/UBC%20Presentation%20Nov.%202022%20shared.pdf>

11:55:26 From member, Katie Lynch (she/her/hers) to Everyone: @Teresa, this includes the assumptions we are using.

11:55:32 From Member Teresa Pratt to Everyone: Okay great, thanks for this!

11:56:24 From Member - Jennifer Daly to Everyone: Replying to "Time: 11am - 12pm on..." Thank you!

11:56:25 From Member - Michael Goldman to Everyone: Thanks to all!!

11:56:45 From Member Mari Hulick (she/her) to Everyone: Thank you all!