



University Budget Committee Meeting Minutes

Date: Friday, April 22, 2022

Location: via Zoom

Members Present: Voting members present: CFO & VP Jeff Wilson, Co-Chair, and Provost & VP Jennifer Summit, Co-Chair, VP Jeff Jackanicz, VP Jamillah Moore, VP Jason Porth, Dean Eugene Sivadas, Jennifer Daly, Mary Menees, Dylan Mooney, Evrim Ozer, Renee Stephens, Joshua Ochoa, Nancy Gerber, Akm Newaz, Gitanjali Shahani, Genie Stowers, Senate Chair Teddy Albinak, SIC Chair Michael Goldman, ASCSU FGA Liaison Darlene Yee-Melichar
Non-voting members present: President Lynn Mahoney, Elena Stoian, Dwayne Banks, Katie Lynch, Cesar Mozo, Sandee Noda, Mirel Tikkanen, Venesia Thompson-Ramsey, Tammie Ridgell, Jamil Sheared, Deborah Elia.

Members Absent: AS VP of Finance, Nia Hall, Jaime Haymond, James Martel, Lark Winner, UAPD rep

Committee Staff Present: Liesl Violante, Catherine Kim (Human Resources)

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

Accompanying presentation to view concurrently can be found here: [UBC Presentation April 22, 2022](#)

~~~~~  
UBC co-chairs called this meeting to order at approximately 10:03 A.M.

### **Agenda topic # 1 – Welcome from Co-Chairs**

- **Jennifer Summit** and **Jeff Wilson** welcomed committee members and guests..
- Guests were reminded of the ways to contact UBC and upcoming Office Hours.
- Agenda was approved with change to strike President Mahoney's Message since she was unable to attend.

### **Agenda topic # 2 – member roll call and membership change**

- Noted absent members: Nia Hall, Jaime Haymond, Lynn Mahoney, James Martel, Joshua Ochoa, Jamil Sheared, Lark Winner

### **Agenda topic # 3 – Approval of minutes from March 17, 2022 meeting**

- **Jeff Wilson** requested approval of meeting minutes. Minutes approved as corrected
  - Correction to spelling of Dylan Mooney throughout document
  - At bullet five of Open Forum section, add period at the end of "3/3 workload" and strike the rest.

### **Agenda topic # 4 – Presentation: IDC Workgroup**

*(see slides 8-30)*

*Presented by Eugene Sivadas , Jennifer Daly, Dwayne Banks, and Michael Goldman*

- **Nancy Gerber** asked for the presentations to be shared in advance for review of content before the meeting and mentioned the expense of research at SF State that makes it difficult to be competitive with other universities that provide support for their faculty. She also asked why low IDC grants seem to not be supported since they are low cost to the university and would like to know more about that process and what kind of new policies are needed.

- **Jennifer Summit** referred Michael Scott and asked that and mentioned this may reflect past practices and would ask that conclusions be suspended until a full analysis could be done.
- **Michael Scott** provided a history were there was a policy and 2016 but was dismissed at that time. 0% grants only have a restriction that there is student involvement and impact due to subsidization by student dollars. He also provided clarity about the adjustment during the pandemic shelter-in-place where there was a concern there would be no spending, so the budget was conservative for 2020-21 where everyone took a 38% cut. More money was released as the year went on to accommodate the needs.
- **Akm Newaz** mentioned it would be nice if there was a small amount of money or IDC share goes to the API for when there isn't a grant. He also asked how our federal rate compares with other universities nationally. He also mentioned the expensive cost of hiring a postdoc at \$132,000 due to Calipers benefit and asked if this benefit could be excluded since it's impossible to hire a postdoc with grant money due to this cost.
- **Eugene Sivadas** shared that the workgroup did a benchmark against other CSU's with a stated rate at 55%.but the average rate is much lower because the IDC rates vary considerably. He recalled the effective rate was possibly 18%. The workgroup can add this information.
- **Gretchen LeBuhn** stated that grant money supports peer mentoring between undergraduate and graduate student. She noticed that with NSF there was a larger grant with low graduate student salaries. She went on to say that traditionally in other institutions, the graduate student salary for being a teaching assistant covers their basic needs and tuition which provides flexibility in how you support them. Whereas at Sf State the cost is much higher and an unrecognized cost in addition to the high IDC and overhead costs for supporting staff or postdocs. She shared that the role of these research grants should be evaluated to consider providing student jobs and training on campus which will to lead to jobs in their fields.
- **Evrin Ozer** asked how research compares at SF State and UCSF and also how the process works.
- **Michael Scott** explained that the cost at UCSF may be lower due to no retirement benefit. Hiring through UCorp for a different retirement plan would not give much savings for students. The high benefit rate for Calpers is 30-31% varying each year.
- **Eugene Sivadas** explained that IDC is a reimbursement to the university for the cost it incurs, but it may be perceived as a cost that could be lowered to benefit the position.
- **Dylan Mooney** thanked the workgroup for the report and asked if the committee could be given the opportunity to respond in writing after careful review of the report.
- **Eugene Sivadas** agreed and said comments could be sent to him or any member of the workgroup.
- **Gretchen LeBuhn** asked what percent of the postdocs salary is allotted for Calpers?
- **Michael Scott** responded If you're paying a postdoc \$60,000 a year, and they elect the family health plan which costs \$21.5k that is about 33% then you add social security and Medicare at 30%. If they select a cheaper individual health plan, it can be less but most have families.
- **Genie Stowers** added offered thanks and mentioned UBC is willing to help look deeper at these issues.
- **Jeff Wilson** thanked the committee for their work and will appreciate a report back and more dialogue in May. He added that as responsible employers there are laws to comply with and hiring decisions should not be made on someone's potential benefit cost and should not be a consideration when budget planning for grants or any other university function.

#### **Agenda topic # 5 – Presentation: 2021-2022 Budget Review**

*(see slides 31-41)*

***Presented by Elena Stoian***

- **Jeff Wilson** added in terms of state budget process that continues between the CSU and other state agencies which receive funding from the state for the May revise, we are still waiting and do not anticipate any cuts since the state's overall budget continues to be healthy.

- **Genie Stowers** asked how much reserves do we have right now and might they be available to cover some of those deficits next year.
- **Elena Stoian** responded tentatively \$27 million before any events or possible bonuses or emergencies.
- **Gretchen LeBuhn** asked about the relationship between the budget updates and the cost expenditures in the scenarios and how they look at this point in the current year after seeing the revision of expenses. With the \$16 million difference this year to play out next year, there would only be a deficit in the last scenario.
- **Elena Stoian** responded we are planning the cost at the current year projections. We are not planning to go lower than \$380 million which would impact salaries.
- **Gretchen LeBuhn** summed up by saying the changes if any would be in total resources, but you don't expect to match the decline in expenditures.
- **Elena Stoian** agreed and added that we are trying to smoothly balance the expense side with the resource by offsetting with one time funding from the reserves.
- **Teddy Albinak** echoed his thanks to Elena for the presentation and the opportunity to enhance his own education and literacy on this topic. He clarified that we have \$8.5 million in surplus in the relationship that we had predicted between resources and cost to which Elena agreed. For future scenario planning, he asked what happens to a part of the reserves and is it included in the reserves estimate that you just mentioned.
- **Elena Stoian** clarified that we cannot look at plan vs plan since some commitments could not be realized which resulted in the reserve. We look at the fact we could not meet the resources which showed a better performance in the expenditures and will need to carry forward.
- **Darlene Yee-Melichar**, mentioned the Governor's proposal of a half billion dollars for what he called the middle class grants and middle class scholarships which will move forward this year in his current budget proposal at about \$632 million to be targeted towards CSU and UC students. Assuming he moves forward with these scholarships and grants equal to around \$3000 per student for tuition, will the State University Grant (SUG) Program return to the system and the campuses, and will we be able to avail those SUG funds to augment each of those three budget scenarios.
- **Elena Stoian** responded that we may know in May and may see a different target for our campus based on the number of students and Pell Grants. If we do have a higher number of students, we are going to receive probably more middle-class grants if we don't, we are going to be balanced between two criteria Pell grants student enrollment. This makes it difficult to use in planning right now.
- **Darlene Yee-Melichar** followed up and asked if this is based on initial enrollment numbers or the census numbers.
- **Elena Stoian** answered that this year for the first time the CO is asking for additional campus projections due to many campuses not reporting growth by looking into the campus enrollment plan instead of at the higher level from the CO target plan.
- **Nancy Gerber** asked if the scenarios presented to the president will result in uniform cuts across departments at the same percentage and if a more strategic model would be used. She also asked why the drop in enrollment which decreases classes and therefore salaries haven't resulted in more savings.
- **Elena Stoian** replied that units will not be asked to have the same cut, but it will be a strategic point. She recommended Academic Affairs (AA) connect with Academic Resources since they already have their own plan and are may now be instructing the college's on the expectations. In response to the second question, Elena responded that there is not much flexibility around salaries since many of the positions are permanent and long term with a commitment to stay which is why there is not much of a change on costs but there are some short term commitments line items which every cabinet should look at.
- **Dwayne Banks** responded they are adhering to the budget call memo and strategically engaging the different units within AA with a set of directives for reaching the budget planning goals that the university has laid out. Salary savings is a one-time savings when there is a vacancy.

- **Jeff Wilson** addressed Mary Menees' question in the chat which read "does the university have any extra HEERF funds that could be swept into a reserve." by responding that a portion of it is directly attributable to recovered lost revenue due to the pandemic.
- **Jeff Wilson** responded to Jennifer Daly's question in the chat "Is it feasible to consider that the currently-projected decrease in 21/22 expenses is perhaps tied to the availability of HEERF funding this particular fiscal year? And/or "savings" from the ongoing staff hiring chill? The figures Elena presented are General Fund funds and not do not include HEERF, correct?" by responding that HEERF funds should not be used for ongoing operations since they are one-time funds.
- **Elena Stoian** added that lately there has been movement from operating expenses to HEERF but since it is ending in April we acknowledge the reverse transfer back to operating expenditures. For 2021-2022 budget plan there were about \$6 million budgeted vacant positions so some of the savings right now are due to the high volume of budgeted vacancies in the original budget plan but not necessarily from the hiring chill during the pandemic. The figures presented are general funds and only operating funds.
- **S. Evrim Ozer** asked in the chat if salaries paid to work study student assistants show up in these numbers since SF State is the #1 employer of alumni, and student employment can hopefully continue to be an important way to recruit future talent force where we don't need to worry to try to save/cut.
- **Jeff Wilson** responded that yes, the work study is included in these numbers.

**Agenda topic # 6 – Action Item: Second reading of Budget Scenarios**  
*(see slides 29-30)*

- **Jeff Wilson** asked for the action item: Should the UBC recommend to the President the scenarios presented? If recommended to President Mahoney, she would direct Vice President's to plan according to the recommended scenario. Iterations based on scenarios will be finalized in May.
- **Teddy Albinak** asked if these scenarios would change if there was a change in enrollment and with the May revise and if so, would the committee review the changes.
- **Jeff Wilson** responded yes in May a new slide would be presented with any adjustments.
- **Gitanjali Shahani** asked if recommendations could be made once we have a better idea of the enrollment numbers.
- **Jeff Wilson** responded that the scenarios were built around the data and analysis of the April UBC meeting and are the best sets of figures at this time. After May 1 and into early summer those figures may change.
- **Gretchen LeBuhn** asked for clarification on the "other funds".
- **Elena Stoian** responded that the other line item missing is the centrally managed expenditures which are not managed by individual cabinets. These are the utilities, insurance, and benefits.
- **Kevin Simonin** asked where the cabinets fit into the broader campus expense total and what is included more than just salary and wages.
- **Elena Stoian** explained that it also includes operating expenses. Individual cabinet budget questions can be answered by each individual cabinet for their submissions to the budget office.
- **Genie Stowers** asked if PPE if needed due to an increase in cases would be an extra unexpected cost for next year and could we absorb it.
- **Jeff Wilson and Michael Scott** shared there are still tons of PPE if needed and the testing service could be utilized if needed.
- **Darlene Yee-Melichar** asked for clarification on the action item if passed would be asking each cabinet area to address the \$4-18 million deficit in the three scenarios by being responsible for a certain percentage. Also would the cabinet's work with their MPP's to figure it out.

- **Elena Stoian** explained that we are not expecting additional expense adjustments, based on the deficits, but what we are proposing is just how much we are willing to use campus reserves which is now currently at \$27 million and may need to accommodate low enrollment for a few years. We are not asking the units to take any part of the \$4-18 million deficit at this time.
- **Danny Paz Gabriner** asked in the chat: "Do these revenue scenarios come with specific enrollment numbers we can see and use as a benchmark? Arguably spending a bit more on costs can help us realize higher retention and recruitment targets."
- **Elena Stoian** responded that the revenue scenarios do come with specific enrollment numbers that were presented at the previous meeting but we can share it again.
- **Gretchen LeBuhn** asked what a vote for these scenarios would mean operationally and if hiring freezes would be discussed or a budget cut would result.
- **Jeff Wilson** responded that it would provide a framework for the units to begin their budget planning toward presenting the scenario or the iterations that Elena mentioned earlier, to make sure their costs align with the \$380.9 million if the president accepts. If the medium and worst case scenarios came, we would rebuild all budgets around those.
- **Gretchen LeBuhn** asked if the lower expenses was due to the unfilled positions, does this have the implication that these will not be filled even though they were previously budgeted.
- **Jeff Wilson** responded correct.
- **Nancy Gerber** stated that this sounds like a hiring chill again and asked what would be the ramifications of a no vote.
- **Jeff Wilson** responded hiring chill was inherited from the early days of the pandemic but for our campus because of enrollment challenges we've never really been able to let that go and we may not be able to for a couple of years. We have to consider filling every position very carefully and certainly adding any new positions, has to be approved by continues to have to be approved by the president. Also, the iterations are important to have in place the first week of July to present to the president who would most likely interrogate it and then decide what course of action she would take for the campus units.
- **Nancy Gerber asked** what the recommendation would be, in the absence of action by UBC.
- **Jeff Wilson** stated the best-case scenario.
- **Jeff** asked if there was a motion to send to the president
  - **Genie Stowers recommended**
  - **Dylan Mooney second**
- **Sandee Noda** asked if layoffs would be a part of any of the three iterations and does it include not appointing temporary employees.
- **Jeff Wilson** replied that layoffs are not part of the discussion and we are not at the level of detail to consider appointing temporary employees.
- **Genie Stowers** mentioned that an approval is needed for campus planning to begin in a timely manner for next year.
- **Jeff Wilson called for a vote and all present voting member's names were called (16 present). All voted "YES" for recommending budget scenarios to the President**

#### Agenda topic # 10 – Public Forum

- **Jeff Wilson** opened the public forum.

- **Venoo Kakar** asked if the IDC committee could think about how to better support faculty with high teaching loads.
- **Eugene Sivadas** mentioned they could research this question.

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

- Next meeting: Thursday, August 25, 2022 from 10:00 AM – 12:00 PM via Zoom

-end (lv)

**FROM THE CHAT:**

- 00:40:39 Jeff Wilson: Good morning everyone. We'll start shortly. Note the public forum starts around 11:40 - 10:40
- 00:43:40 Member, Dylan Mooney: Staff Office Hours are today at 1pm.
- 00:44:18 Member, Mary Menees: UBC Staff Office Hours are today at 1 pm - please join Dylan and me: <https://sfsu.zoom.us/j/81091317825?pwd=eFFScTJPb2U4VnhUU2E4ZTILZytudzog>
- 00:44:25 Member Genie Stowers (she/her): Faculty/MPP UBC Office Hours are Monday at 10 am.
- 00:50:43 S. Evrim Ozer (they/them/theirs): IDC="indirect cost" (IDC) recovery from grants and contracts
- 00:52:33 Member, Dylan Mooney: Uh oh.....now my dog, Oly, has something to say as well!
- 00:56:12 Michael Scott: I only talked to the group at the beginning and have not had a chance to review any of the outcomes
- 00:59:39 Michael Scott: These numbers are incorrect
- 01:02:07 Dwayne Banks: Michael, the group will arrange a follow up meeting with you. Thanks for letting us know that you have some concerns about the numbers presented.
- 01:08:22 Member Darlene Yee-Melichar: Comprehensive and informative summary of faculty concerns-- thanks Michael and IDC workgroup.
- 01:12:47 S. Evrim Ozer (they/them/theirs): RSO=Research and Service Organization
- 01:13:52 Avi (Chandiramani) Advani: Thank you Senem, lots of acronyms
- 01:17:18 S. Evrim Ozer (they/them/theirs): RSCA=Research, Scholarship and Creative Activities
- 01:23:22 Michael Scott: We DO NOT discourage 0% IDC grants
- 01:23:25 Michael Scott: <https://news.sfsu.edu/news-story/associate-professor-biology-wins-grant-study-groundbreaking-neuroscience>
- 01:23:36 Michael Scott: \$1.5 Millions 0% IDC
- 01:24:22 Sandee Noda: Feedback - Please also when presenting limit the acronyms as not everyone knows what they mean. Thanks Senem for helping with that
- 01:25:23 Jeff Wilson: Akm, Gretchen, Evrim, Dylan after Michael Scott
- 01:26:24 Gretchen LeBuhn (she / her): The perception may persist because Dean's have to sign off on proposals with less than the full IDC. I have always had those proposals approved and supported.
- 01:26:35 Member Nancy Gerber: When will the members receive a copy of today's presentation?
- 01:27:09 Liesl Violante: The presentation has been emailed to everyone.
- 01:28:20 Michael Scott: The only cost savings offered by moving to the 501(c)3 is the ability to hire postdocs and staff outside of union.
- 01:28:37 Michael Scott: and on U-Corp benefits
- 01:29:58 Michael Scott: U-corp benefits are still 55%
- 01:33:53 Jennifer Summit (she/her/hers): Remember that the UCs are also funded for research at a much higher level than the CSU, so the comparison needs to be put in context

- 01:34:18 Gretchen LeBuhn (she / her): Since our GTAs and TAs do not get tuition reimbursement, our grants also have to cover full tuition if we hire them during the school year.
- 01:34:27 Sarah Cohen: I have had PDs who did want benefits because they received spousal coverage, but we still paid high benefits that they were not using
- 01:34:35 Sarah Cohen: sorry, did not want
- 01:35:05 Michael Scott: we don't have a choice. We must charge CalPERS
- 01:37:09 Michael Scott: Health insurance costs can run from a couple of hundred to \$21.5K. If people elect to use their spouses health insurance, the cost charged to grants is minimal for health insurance. The big cost is still CalPERS at 30% of salary
- 01:37:21 Sarah Cohen: It is great to hear that student training grants with lower IDC are important. At EOS, we hear that because EOS support relates to IDC, student training grants are not necessarily favorable to supporting resources.
- 01:37:57 Gretchen LeBuhn (she / her): If I write a grant and have the same number of hires (e.g. 1 postdoc, 2 grad students and 6 undergrads) as someone else with the same staffing but our overhead rates is 56% and somewhere else is 40%, the total budget for my grant will be much higher for the same amount of work.
- 01:38:20 Gretchen LeBuhn (she / her): And then add on the postdoc difference, it is substantial.
- 01:39:51 Michael Scott: we make that point quite clear
- 01:45:32 Danny Paz Gabriner: Is there a copy of the 2021-2022 Revised Budget Available?
- 01:53:46 Presenter, Elena Stoian: @Mary iteration 2
- 01:57:37 Member, Mary Menees: does the university have any extra HEERF funds that could be swept into a reserve.
- 01:58:28 Member, Mary Menees: Our HEERF spending deadline is April 30
- 01:59:36 Member, Jennifer Daly: Is it feasible to consider that the currently-projected decrease in 21/22 expenses is perhaps tied to the availability of HEERF funding this particular fiscal year? And/or "savings" from the ongoing staff hiring chill? The figures Elena presented are General Fund funds and not do not include HEERF, correct?
- 02:01:01 Member, Dylan Mooney: Great questions, Jennifer!
- 02:10:12 S. Evrim Ozer (they/them/theirs): Hi Elena! I wonder whether salaries paid to work study student assistants show up in these #s you share? SF State is #1 employer of alumni, and student employment can hopefully continue to be an important way to recruit future talent force where we don't need to worry to try to save/cut.
- 02:13:33 Member Genie Stowers (she/her): Sac Bee notification just this moment: "The state Finance Department on Thursday reported tax revenue is coming \$17.4 billion above the projections the Newsom administration released in January, when the governor announced that he anticipated a \$45.7 billion surplus."
- 
- Read more at: <https://www.sacbee.com/news/local/article260640797.html#storylink=cpy>
- 02:14:03 S. Evrim Ozer (they/them/theirs): Will our reserves be able to cover the worst case scenario?
- 02:21:57 Michael Scott: We have TONS of stuff
- 02:22:01 Michael Scott: PPE galore
- 02:25:10 Danny Paz Gabriner: Do these revenue scenarios come with specific enrollment numbers we can see and use as a benchmark? Arguably spending a bit more on costs can help us realize higher retention and recruitment targets.
- 02:33:30 Member, Dylan Mooney: I agree with Genie.
- 02:35:14 member Renee E Stephens: Renee says yes
- 02:38:53 Nanette Davy: Hi, If you would please, seeing that we are still in red no matter what scenario we land on, what is the possibility that our campus might have to go through another round of layoffs in the fall?
- 02:40:24 Guest, Mari Hulick (she/her): Thank you All!
- 02:40:49 Gretchen LeBuhn (she / her): Thank you.