



University Budget Committee Meeting Minutes

DATE: Thursday, April 23, 2020
LOCATION: via Zoom

MEMBERS PRESENT: Interim VP & CFO Jeff Wilson, Co-Chair, Provost & VP Jennifer Summit, Co-Chair, Interim VP Beth Hellwig, VP Jason Porth, Dean Amy Sueyoshi, Senate Chair Nancy Gerber, Andrew Ichimura, Kathleen Mortier, Jerry Shapiro, Genie Stowers, Dwayne Banks, Maria Martinez, Elena Stoian, Sutee Sujitparapitaya
Advisory team present: Enrollment Mgmt/President's Office: Tom Enders, University Controller: Sylvia Piao, SAEM: Mirel Tikkanen, ADV: Vicky Lee, UE; Tammie Ridgell, A&F: Cesar Mozo)

Absent: Phonita Yuen

Guests Present via Zoom: (see last page)

Committee Staff Present: Nancy Ganner

Accompanying PowerPoint presentation for this meeting can be found here:

<https://adminfin.sfsu.edu/sites/default/files/documents/UBC%20Presentation%20Apr%2023.2020.pdf>

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UBC Co-Chairs called this meeting to order at approximately 10:00 A.M.

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

- **Jeff Wilson** welcomed all, and reviewed meeting participation guidelines.
- **Jennifer Summit** welcomed all, and noted while reviewing minutes from the Feb. 3<sup>rd</sup> meeting and discussions around setting up a sound structure for the university in case of difficult times, it now seemed prophetic. Expressed gratitude for the group coming together again to meet the challenges of this time, together.

### **Agenda topic # 2 – Approval of Minutes from February 3, 2020 meeting**

- **Jeff Wilson** requested approval of the meeting minutes.
- They were approved, seconded and passed.

### **Agenda topic #3 – 2020-2021 Enrollment Update**

- (see slides/page 5)
- **Tom Enders:** Introduced himself: has been on campus three months and within the CSU about 25 years, and acknowledged these very challenging times. His work in enrollment-planning began pre-pandemic, and was focused on creating a common understanding of our enrollment challenges.

- Reviewed slides which included Fall Total Headcount Trend, Continuing Student Trend and New Student Headcount Trend.
- Noted that prior to pandemic, there was a 7% enrollment decline in total Fall headcounts. Last year was low, and same for this coming Fall freshman/transfers, with applications and admissions down prior to COVID-19.
- Commented that headcounts bring revenue, so affects multi-year budgets and the long-term impact of less continuing-student counts. This kind of uncertainty has never been seen in university enrollment planning before. Has seen recessions in isolated incidents such as Katrina, where an area of the country was ravaged and students went to other locations, but never a universal challenge like this.
- Advised in the short-term, we think about how we adjust courses and service-planning on this paradigm, and what needs to be available in the summer. Short-term shifts need to be made. The university has to come to a reasonable number to plan for, such as a 15% decline, which includes the former and current decline. That would be a drop of almost 6,000 students, but we don't know yet. Especially for freshmen in California that could decide to attend community college for a while, close to home, vs. a four-year university. That could have a big impact, as about 48% of last fall's Freshman came from outside the six counties in the Bay Area. Drops in International students affect our diversity as well.
- Commented that one thing we do know, is that in hard economic times, families typically tend to choose lower cost institutions, and our university in that set. The enrollment team will be looking at continuing-student enrollment for signs of strengths or challenges. The deadline to apply has been extended to June 1<sup>st</sup>.
- People all over campus are rising to the challenge to do everything they can; getting out in front of registration with class schedules, positive written messages, advising availability, and all kinds of supportive messages from Student Affairs about health and well-being. The advising community is planning organized enrollment campaigns. As soon as the initial registration is over, we'll be looking at students that haven't registered and will be reaching out to them.
- Concluded that it's wonderful to see how people have stepped up and provided virtual experiences for admitted students on the Gator Days website. In the end, the numbers will be what they are, but we need to continue being proactive and reassuring, and reminding students why SF State is a great place to be.
- **Kathleen Mortier:** Asked about the latest admissions deadline campus can offer, as so much is still unknown in the next few weeks and June 1<sup>st</sup> is close.
- **Tom Enders:** Advised that admissions is being very flexible system-wide. Has offered flexibility in what students have to do to meet the terms of their admissions. Admissions is also accepting late applications as needed, and doesn't want to raise student hopes they can't get admitted if they don't meet our standards, but campus is accepting targeted late applications with referrals from counselors from other schools. Admissions is already offering deferred admission to international students who can't get a Visa. They're definitely trying

everything, and asked that if anyone knows of a situation that needs attention, or has other suggestions, to please feel comfortable emailing him directly.

- **Jerry Shapiro:** Wondered what efforts are being made to identify area of strengths, not only in enrollment, but in terms of potential campus development. Some programs, such as his, have a huge waiting list so it's intriguing to hear about enrollment difficulties. He is responding daily to individuals who want to get in.
- Asked what can be offered during the summer as enticement to potential undergraduate enrollees, for example, offering online partial credit opportunities in practice courses, something that might make for anticipatory soft-landing connections with the university. Even if that doesn't produce a Fall outcome, it may set the stage to articulate with community colleges about Spring admissions.
- Understanding this time is difficult with the complications of certain programs, such as our nursing program; remarked that necessary adjustments may result in health disparity concerns, especially the internship programs where enrollment provides an opportunity and pathway forward for professional development. As campus scrambles to make adjustments for the internship component, there may be perception by the community of disproportionately denying access SF State has traditionally provided to some critical communities. Other campuses seem to be finding ways of balancing risk assessment considerations. How do we find a way to, at the very least, substantiate our university's best intentions?
- **Thomas Enders:** Thanked Jerry for the thoughtful considerations. Stated that the pandemic is raising many large issues the campus needed to wrestle with even before this current situation. In the short term, the campus is trying to get creative and focus efforts to minimize "summer-melt" this summer. The campus does need to look for opportunities of strength.
- **Jennifer Summit:** Responded that Jerry's questions are specific to curriculum planning for Fall 2020, which will be discussed at a Chairs council meeting, but has also asked all Deans to consult with their faculty and their Department Chairs particularly around the challenge of in-person experiential learning. It is on the radar, and Deans are doing that consultation with their colleges.
- **Amy Sueyoshi:** Asked about students who live in the Bay Area and had hoped to attend distant campuses like CSULA; are we creating a visible opportunity for those students to take a semester or year at SF State and then consider transferring? That seems like an opportunity.
- **Thomas Enders:** Agreed and stated there will be coordinated opportunities within the CSU, but every campus is having the same conversation; how to maximize enrollments. CSU is at the beginning of the redirection process for those who didn't get admitted to other campuses. Affirmed that students hoping to attend a CSU in another area might need either a short term or permanent home, and those logistics are still being worked out.
- **Kathleen Mortier:** Noted there are students whose parents may not want to invest funds in expensive institutions, so our university needs to become more visible to them.
- **Jeff Wilson:** Noted no further questions. Appreciated the update on enrollment and the conversations about it.

#### Agenda topic # 4 – 2020-2021 Budget Planning Update

- (see slides/page 14)
- **Jeff Wilson:** Acknowledged there is so much unknown at this time, especially relevant to the impacts of COVID-19 and its effect on the State revenues and the university budget, how enrollments affect housing, will student housing be open and how will physical distancing affect the number of student residents -- the list of unknowns keeps going.
- Noted that whenever budget numbers are proposed, they're corrected or contradicted, so this meeting will not suggest specific numbers. The pandemic is having a severe impact on our global, national, state and local economies, not to mention the millions of Californians who have lost their jobs and livelihoods. It's not possible to measure the level of severity and amount of time it's going to take to get the economy going again.
- Reported that Ryan Storm, Associate Vice Chancellor of Budget at the Chancellor's Office gave an update on the budget that didn't have any charts, graphs, numbers or percentages, and is indicative that the CSU is still confronting many unknowns. Executive Vice Chancellor & Chief Financial Officer Steve Relyea did not give an update on the budget recently either, and there is more focus on the State budget process. We will receive the May Revise soon as part of the typical state budget cycle, but that revise will likely reset the budget. The Governor's January budget is no longer accurate because of the deferred tax roll, so we can expect a clearer picture likely in July when tax revenue is reviewed, an enacted budget is proposed, then a revision in August.
- Posed the question of how to operate without a budget, as our fiscal year begins July 1. The expectation is that this budget will be just enough funding to cover our payroll, and not much else. The hiring slowdown, as communicated by President Mahoney and publicized by the Chancellor's Office, is a good first step. As a reminder, salaries and benefits account for over 80% of our operating budget. We'll manage those costs by not filling positions and minimizing upward salary adjustments, as a way toward confronting a period of constrained resources.
- Added there will be additional measures put in place: Operating Expenses are separate from payroll, and we must get everyone that has purchasing authority, including those with Pcards, to scrutinize every purchase, whether it's a box of paperclips or a piece of equipment. Now is not the time to buy what we want, nor what we think we need, but only what is critically essential. There is no "I've got the budget so I better spend it". We're working with hypothetical scenarios, as this is something other campuses are doing, and plugging in projected declines in enrollment, as Tom Enders mentioned.
- Reiterated the need for a sound policy in place for Reserves and Carryforwards. The expected reduction in State funding and tuition revenue due to enrollment decline is going to require us to tap into our reserves to cushion the severity of these reductions.

- Emphasized there are no current or planned layoffs, furloughs, or salary reductions. Too much remains unknown to make those decisions. As we receive reliable information and those types of actions become necessary, we will communicate as early as possible, and will conduct the process transparently, and will follow the Collective Bargaining Agreements.
- **Gitanjali Shahani:** Requested information about the Cares Act. As Department Chair, has received lots of emails about it, and wondered if funds will be available to help faculty and lecturers. Much of the conversation is around austerity, and requested advice on how to negotiate some of the rhetoric.
- **Jeff Wilson:** Explained the Cares Act was part of the Federal legislation that passed a few weeks ago. The university received approximately \$28.8M. The first half of that approximately \$14.4M is designated strictly for direct student-support services, such as financial aid. The President's Cabinet is working on a final plan to distribute those funds directly to students. For the second half of that, we will receive very specific and clear guidance from the Chancellor's Office on how to disperse those funds. They are not designated specifically for student-support, but we expect us to receive careful guidance from the Chancellor's Office on how those funds will be spent.
- **AS VP of Finance Andrew Carrillo:** Asked about student services like the Mashouf Wellness Center and services students depend on, especially in this time of crisis. Will there be budget re-allocations so that the quality of the services remain, or are funds being reserved for those services?
- **Jeff Wilson:** Responded that it's difficult to provide specific direction to any particular unit in terms of planning, but all campus units are in the beginning stages of planning and they must maintain the level of service they can provide with available resources to fund their operations.
- **Genie Stowers:** Requested further clarification on the Cares Act: the \$14.4M mentioned that's not for direct student support: will you expect guidance on how to spend it, or, guidance to how to spend it directly on students?
- **Jeff Wilson:** Responded that we will receive guidance on how to spend the funds.
- **Hamid Ghaemmaghani:** Appreciated the focus on cost-control. Asked if there are opportunities for the university to focus on the revenue-side. Gave an example of leasing university property as staging for the contractor doing work at ParkMerced for the City of San Francisco. If there's opportunity for revenue generation, asked we might look into it?
- **Jeff Wilson:** Agreed that generating revenue is a good point and suggested those ideas be sent through the respective Cabinet area.
- **Andrew Ichimura:** Inquired about funding for Fall elective courses, if students need to graduate or satisfy prerequisites. Will there be any consideration to keep sections open for our continuing students and those incoming freshmen?

- **Jennifer Summit:** Explained that we are doing our best to produce a robust and high-impact curriculum within the circumstances.
- **Andrew Ichimura:** Clarified that if the Cares Act funds are direct payments back to students, with declining enrollment, will there also be a decline in course offerings?
- **Jennifer Summit:** Responded that funding can be used for courses as well, or other funding if available. Tuition revenue is meant to be supporting courses. If we have limited tuition and fewer students, we're going to have to limit the courses we offer. We will need to scale back the curriculum. The direction she's been giving to the colleges and she trusts also given to the Chairs, is that we need to make sure we're planning the Fall schedule by starting with the classes our students absolutely need in order to meet prerequisites and make progress in their degrees. We want to start with that strong core, and we're asking departments to hide courses that might have value, such as electives, but are not required by students in order to make degree progress.
- Further responded she's been working with Lori Beth Way, Sutee, the Deans and some of the Chairs to ensure they're getting that balance right. Given that the course schedule directly reflects our enrollment, we need to scale back the course schedule in order to meet the needs of the students that we have.
- **Jeff Wilson:** Noted no further questions. Thanked everyone and moved onto next topic.

#### **Agenda topic # 5 – Review of February 3rd meeting**

- (see slides/page 15)
- **Jennifer Summit:** Summarized the tabletop exercise from the February 3<sup>rd</sup> meeting, which focused on the task of reimagining the UBC and defined a set of four priorities to drive this committee. Recalled that when President Mahoney opened that meeting, CSU Long Beach had a group like UBC that helped with their response to the 2008 recession and she credited that group with creating a transparent structure and consultative process for moving forward in that crisis.
- Reminded everyone that rewriting the UBC charge will be the first priority for this group. The desired outcome will create a more deliberative and engaged body of campus stakeholders and an inclusive membership. The specific goal is to charge this committee with responding to and directing the campus response to contingencies, such as where we now find ourselves.
- The next priority is budget literacy. This group would have a working knowledge of the CSU and the San Francisco State budget language, budget cycle and budget decision-making process. It would be able to expand that literacy and knowledge across the campus because transparency without widespread understanding is not valuable.
- The third is budget and fiscal policy. This priority aims to have a set of budget and fiscal policies to inform campus decision-making around financial and budget matters, to reflect collaborative design, implementation,

technical compliance, optimal control and flexibility. In some ways, this is really the musculature of UBC that allows it to have that kind of active and direct response to contingencies like this.

- The last is communication and outreach, and this priority will help the UBC define, coordinate and publicize communication and outreach from this group to the campus for budget-related matters. It will make sure campus communities are informed in a timely, but also thorough and fully-engaged manner. This makes sure that what happens in the UBC, doesn't stay in UBC, and we want to be sure communication goes out to campus, and also responses from campus are brought back to UBC.
- Expressed gratitude for the foresight as a group in determining these priorities, as it seems given the situation now, these priorities feel extremely timely and very important. Also that we were able to define these goals in a period of calm, because they help us prepare ourselves to respond in a period of crisis.
- Referred to slides/worksheets, and the workgroups that will form. Each will have an executive sponsor: two will be sponsored by her, and two by Jeff Wilson, who will take feedback from the groups and push them forward.
- Asked for feedback about the priorities and next steps, to determine if they need adjustment to reflect the situation we're in. On rewriting the UBC charge first.
- **Nancy Gerber:** Observed the task looks good and can move forward in this situation. Encouraged UBC to move forward and convene that subcommittee to start working on it
- **Genie Stowers:** Commented that rewriting the Charge is only half the picture, and UBC becoming more deliberative and engaging is the other half. Comments are taken into account by decision-makers and that's actually the most important step. Steps to become more engaged won't work if no one is listening, so the new co-chair structure will raise that level. Membership on this committee does not mean recommendations are going to be listened to at the Cabinet level, but that needs to be stated.
- **Kathleen Mortier:** Remarked that the composition of the UBC will shift its role, as to who is represented, what knowledge they need. Right now membership seems a bit random, so campus should know who is on the committee who represents them.
- **Jennifer Summit:** Recommended that go back to the UBC charge revision as well.
- Moved onto the Budget and Fiscal policy task and to Genie's point about the need to make sure UBC is also fully integrated into the policy-making and decision-making on campus.
- Concluded with Budget literacy and commented that it's important for the UBC to develop a "CFO-level" of budget literacy and the implications of decisions.
- **Genie Stowers:** Stressed that the level of literacy at "CFO-level" may feel unrealistic and unattainable. It's important to come up with different language that suggest some literacy with processes and terms, but it may feel intimidating to think that was expected.
- **Jennifer Summit:** Agreed that this body can take a deeper understanding of the budget process and terms and push it out to the rest of the campus.

- **Andrew Ichimura:** Maintained that literacy terms were one of the things that took a while to learn while being on the committee, along with budget procedures. Being on a workgroup early on was a good way to learn about IDC, reserves and carryforward and help to impact policy-making. This process may allow for feedback to the Cabinet that will include input from faculty and the campus community, and helps with transparency because UBC members can explain it to their colleagues.
- **Jennifer Summit:** Agreed that each member represents a constituency, and the UBC needs to be sure we define that communication plan both out to those constituencies, and also to the campus as well, particularly around the necessity of building trust in our budget process.
- **Genie Stowers:** Applauded the worksheet format because it provides so much information about each of the goals in one place, and it's very specific.
- **Jennifer Summit:** Affirmed these four priorities and understanding they are more relevant today than ever. The next step is for the executive sponsors to convene these groups to start working on these goals: Jeff Wilson will sponsor Budget and Fiscal Policy, and Budget Literacy. Provost will sponsor the UBC Charge Revision, and the Communication and Outreach workgroups.
- **Jeff Wilson:** Thanked the Provost and will direct UBC staff Nancy Ganner to request committee members sign up for a workgroup/subcommittee, because the more diverse viewpoints we have from different constituents from around campus, the more effective they will be in achieving their goals
- **Jennifer Summit:** Thanked everyone and reiterated she looked forward to working together on these important priorities.

#### **Agenda topic # 6 – Critical priorities to confront financial and budget adversity**

- **Jeff Wilson:** Began this topic with where the meeting left off when President Mahoney charged the Provost and CFO to lead this group towards developing a sound reserves and carryforward policy. It's critical during a period of financial and budget adversity. If the negative budget picture rises to the level of severity we're expecting, it's going to be necessary to tap into reserves to fill that funding gap, to ensure we're delivering on our mission, and hopefully protecting as many current employees as possible.
- Asked the UBC to move today to start working on the reserves and carryforward policies, and equally important, the communication and outreach. Members should go back to their constituencies as these ideas evolve, to make sure we're including the viewpoints and feedback we should incorporate into policies developed. Those two are the critical goals we're going to focus on for the rest of this meeting; especially the reserves and carryforward policy.

#### **Agenda topic # 7 – Reserves and Carryforward policy development**



- **Jeff Wilson:** Reviewed the Terms & Definitions document  
<https://adminfin.sfsu.edu/sites/default/files/documents/UBC%20Terms%20and%20Definitions%204.17.20.pdf>
- Noted no questions. Asked the group to have a discussion about policy principles: what characteristics will make the policy successful, and what outcomes will define the success of this policy? In the spirit of collaboration and understanding the different viewpoints and constituencies around campus, the policy needs to be guided by principles.
- **Genie Stowers:** Suggested transparency, fairness and communication would be important characteristics. Since short on time to allow for policies to develop, and as they will probably be significantly different from current practice, their impact to different units across campus might differ. In general, a principle would be that implementation should be developed in such a way the impact is spread over a number of years. Suggested it would be useful to see policies of other institution, as a starting point.
- **Jerry Shapiro:** Shared that there's a number of historical policies from Academic Senate, specifically guidelines that not only convey the heritage of San Francisco State, but defining principles. That has been very important at times of difficult decisions, but references to those policies adopted by the Senate be incorporated as a criteria reference point.
- **Kathleen Mortier:** Offered that think policies created should not hurt the incentives to develop the monies that go into some of the reserves, such as IDC. Funds for research projects that come as grants. In departments such as hers, they use those funds deliberately for the quality of the programs.
- **Jeff Wilson:** Confirmed that accumulated indirect costs would be part of that, not the annual indirect costs earned and distributed, but accumulated indirect costs would be part of this discussion.
- Noted no further comments and asked if there are further considerations, to email him directly. Thanked everyone and moved onto next topic.
- Shared a document showing links to policies of approximately 20 other institutions to begin forming ours.  
<https://adminfin.sfsu.edu/sites/default/files/documents/List%20of%20reserve%20policies%20from%20other%20colleges%20and%20universities.docx> We're not going to find a definitive version that suits us perfectly.
- Advised that the second part of the policy development will be technical, and will rely on the guidance of Elena Stoian, the Executive Director of Budget Administration & Operations, and Sylvia Piao, the University Controller to achieve compliance with our reporting requirements, and then supporting that procedural process. The college business officers, the college Deans, and the decision-makers in all the divisions will have certain tasks or procedures they perform on an annual basis to comply with. For transparency, it'll all be there, and there will be less debate because it's prescribed by the CSU.
- **Jeff Wilson:** Noted no further comments. Thanked everyone and moved onto the open forum.

#### Agenda topic # 7- Open Forum

- **Jeff Wilson:** Asked if there are any speakers present.

**Dylan Mooney:** Thanked everyone for the presentation. Noted while looking at the meeting participants list there are a lot of people on this meeting, and that's a testament to using Zoom and the ability for more people to attend. Although completing his term chairing the Senate's Strategic Issues Committee (SIC), wanted to commend the UBC for its work and to Jeff Wilson and Elena Stoian and their teams to their commitment to shared governance over the last few years. The SIC has been working with budget issues and put together resolutions for budget transparency. He always tells people the difference between a resolution and a policy is the difference between asking and telling, and we've really kept everything within that 'asking' realm. The UBC's Jeff and Elena have really responsive, and on the A&F website, had the opportunity to look at the UBC committee webpage <https://adminfin.sfsu.edu/committees> and the link to budget transparency is right there. More than that, there are budget reports all the way back to past academic years <https://budget.sfsu.edu/budget-information> and wanted to thank them for all that hard work. Older reports beyond 2011 are different because of the previous college structure, but it's important right now to continue going further into the past and look at those old budgets as well: we faced some hard times, particularly around 2008-2009 and there might be some information to learn from it, even if it's not the same. Thanked everyone and applauded all the efforts.

- **Jeff Wilson:** Thanked Dylan and gave appreciation for this work on the Senate's Strategic Issues Committee.
- Seeing no other speakers, asked co-chair to conclude the meeting.
- **Jennifer Summit:** Gave thanks and appreciated the broad participation this medium allowed, and looks forward to working within this uncertainty, together.

**Meeting adjourned approximately 11:45am.**

- Next meeting: May 28, 2020

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**UBC meeting guests (non-members and non-quorum):**

1. Alex Hwu
2. Alexis Cabrera
3. Andrew Harris
4. Anna Lim
5. Bernice Yeh
6. Bonnie Li Victorino

7. Candi Lau
8. Carlos Villatoro
9. Catherine Kim (tech support)
10. Cathy Tong
11. Chaz Pando
12. Christian Rodriguez
13. Crystal Kam
14. Dania Russell
15. Derek Trang
16. Dylan Mooney
17. Edwin Critchlow (tech support)
18. Frank Fasano
19. Jack Mao
20. Janelle Waldrep
21. Jay Orendorff
22. Jennifer Khuu
23. Jesus Garcia
24. Jim Tomkins-Raney
25. Hamid Ghaemmaghani
26. Hossain Jahani
27. Kay Gamo
28. Ly Chau
29. Marina Shevyakova
30. May Chin
31. May Xie
32. Michael Scott
33. Samantha Ward
34. Shae Hancock
35. Susan Pelton
36. Teresa Dziadur
37. Tom Thomas
38. Veronica Castillo
39. Yim Yu Wong