



University Budget Committee Meeting Minutes

Date: Thursday, August 25, 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, ASCSU representative Nancy Gerber, Akm Newaz, Gitanjali Shahani, Genie Stowers, Senate Chair Teddy Albiniaik, SIC Chair Michael Goldman,
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, ASCSU FGA Liaison Darlene Yee-Melichar

Committee Staff Present: Liesl Violante, Catherine Kim

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

Accompanying presentation to view concurrently can be found here: [UBC Presentation May 19, 2022](#)

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

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

- **Amy Sueyoshi** and **Jeff Wilson** welcomed committee members and guests..
- Guests were reminded of the ways to contact UBC and upcoming Office Hours.
- Agenda was approved as submitted.

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

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

### **Agenda topic # 3 – Approval of minutes from May 19, 2022 meeting**

- **Jeff Wilson** requested approval of meeting minutes. Minutes approved as submitted.

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

- **Lynn Mahoney** shared about the state budget record allocation which was restoring previous cuts to the budget.
- Compensation increases for staff were approved and will be reflected in fall payroll.
- Money for the Graduation Initiative was also included and now waiting on more details.
- One-time funding was included to address maintenance issues on campus
- State funding fell short of expected staff compensation based upon the [Mercer Study](#) and education needed to receive request the full funding the report recommends.

- Budget approval to be moved up to vote in September in order to get in front of the Governor's budget in January.
- CSU President's number one priority for next Year's budget is faculty and staff compensation and making significant progress toward the Mercer study inequities that were discovered.
- Discussions about the unaffordability and housing costs were discussed. The State recognized that if they want the CSU's and the UC's and the community colleges to remain affordable. The focus had to be on housing, and they made a historic two-billion-dollar investment in housing for the CSU's. Of that \$116 million dollars was given to SF State to build a residence hall on West Campus Green behind the Humanities Building that will accommodate seven hundred and fifty students and take a lot of pressure off of our housing. State funding is still needed to renovate two of our oldest resident halls so they can accommodate more students as well as provide another housing complex.
- SF State's government relations team was ready to advocate for these increases by calling elected officials across the state.
- Possible additional funding is expected for equity and inclusion work with details to follow by October.
- Enrollment challenges that existed before the pandemic will continue to be addressed. Post pandemic we have a growing number of freshman and international students with a struggle for returning classes. Over the course of this semester later you'll hear about all the tremendous efforts that are happening in enrollment management and in marketing this past week,

#### **Agenda topic # 5 – Enrollment Update**

*(see slides 9-13)*

***Presented by Katie Lynch, Sutee Sujitparapitaya, Lori Beth Way***

- **Evrin Ozer** asked if there has been a change in the permission numbers for students to add a course which has historically been a hinderance and does the undergrad students who graduate and enroll in graduate programs count toward new student numbers or continuing students?
- **Katie Lynch** responded that the majority of classes did not have to use permission numbers for the first week of classes to make a clearer path for students to get into those classes that have open seats. Also, new graduate numbers include our undergraduates who enrolled in the graduate programs.
- **Gretchen Le Buhn** asked for an update on international students and also if graduate enrollment is under the SAEM unit.
- **Katie Lynch** responded there is a slight uptick in incoming new grad and undergraduate international students thanks to the division of international education and grad studies' enormous phone campaigns around international students. Numbers are expected to increase as travel becomes easier.
- Also, graduate Admissions reports to graduate studies, but we work very closely with them. They're members of our enrollment Operations Committee. We collaborate on systems, and we share our customer, management tools and resources.
- **Nancy Gerber** asked if other CSU's and particularly SJSU are seeing the same trends and doe City College have increased numbers this year? Also, there seems to be an increase in postdoc students asking for advising and could that be an area to increase numbers.
- **Katie Lynch** responded that CSU's are seeing the same trends, particularly around transfers. The decline in community college enrollment especially at CCSF and SMCC has hit us particularly hard and diminished the pipeline of students. Their preliminary numbers have not been released yet. To address this efforts have been made to seize the process of transfer for students by acquiring more information about lower division transfer opportunities and establishing data exchange agreements and MOU's to send transcripts directly to us instead of asking the student to do this. Postdoc advising is a good idea and enrollment operations could take a closer look.

- **Genie Stowers** shared the Sacramento Bee article on enrollment numbers for the CSU by campuses and highlighting the decline at Sonoma State who lost a quarter of their enrollment since 2017. According to this comparison between 2017-2021, we are sixth in decline at 10.1% over that period. Humboldt lost 31% and Sonoma 22%. It goes on to mention Maritime, Chico, East Bay, and then Sf State. As the largest campus among all of those listed, in terms of raw numbers of headcount students, we've lost a lot more.
- **Jeff Wilson** provided budgetary impact context stating that tuition and fees are 50% of our resources on which the budget is based. So declines in enrollment impact budget planning and the resources we have to fund operations as well as some self-supports that are directly funded by student fees such as Mashouf Wellness Center, Campus Recreation, and Student Health Services.

### Agenda topic # 6 – FY 22-23 Budget Presentation

*(see slides 15-40)*

*Presented by Elena Stoian*

- **Dylan Mooney** asked if the agreement with the CSU and the Governor's office could change if a new Governor were elected.
- **Jeff Wilson** suggested this is possible since this is an agreement and not a law.
- **Gretchen Le Buhn** asked if the proportions on slide 38 for operating expenses look the same as previous years. And also did the salaries include all salaries on campus.
- **Elena** replied that last year about the same and small changes between 2019-2020 and 2020-2021 mostly between financial aid and operating expenditures but not compensation which is always the highest. And yes, the salary percentage represents all salaries on campus.
- **Nancy Gerber** asked for clarity on slide 37 where SAEM dropped and Advancement increased.
- **Elena Stoian** clarified that some SAAEM financial transactions and positions that provide services to campus moved to cost recovery format due to a cost recovery process to realign for accounting purposes. University Enterprises added base salaries to support the marketing effort.
- **Evrin Ozer** asked what "university wide" is referring to on slide 37.
- **Elena Stoian** explained that these were shared expenses for all units such as utilities, insurance, pension liabilities, etc.
- **Michael Goldman** mentioned past compacts with the Governor didn't amount to much from his perspective and the 5% increase doesn't look positive next to the decrease on other lines and with the rate of inflation.
- **Jeff Wilson** mentioned from his understanding the Board of Trustees request will go beyond this compact to address inflation and specifically focusing on employee compensation in future years.
- **Genie Stowers** asked what is still left in reserves that will be used now and the mentioned her concern for future years.
- **Elena Stoian** stated that the reconciliation is still in process but there will be sufficient for this year to make the budget even while future years are still a concern.
- **Gretchen Le Buhn** asked if student enrollment is down why is the variable costs not reduced.
- **Elena Stoian and Jeff Wilson** explained that 81% of the budget are salaries so there may be a very small amount of flexibility with vacancies with a onetime cost savings. Also, this year there was over a \$1 million increase in energy and increases in insurance costs. In future years we can look at energy savings and risk mitigation strategies. But in the current year those costs are unavoidable.
- **Gretchen Le Buhn** asked if we have an estimate of what the impact of inflation has been on the campus.
- **Elena Stoian** replied the energy costs increased 20%.
- **Jeff Wilson** stated the salaries and wages are related to the 7% increases that most employees received over the past two years plus the cost of additional benefits based on increase in wages.

- **Amy Sueyoshi** added lower student numbers does not directly impact fewer classes and lecturers since there may be a few scattered between sections. We are currently working on combining classes if they're at the same time and hire less lecturers, but if you see a program with declining students and majors you cannot let the AOC position go. So, some costs may seem variable, but they may not be and may be slower to respond.
- **Akm Newaz** asked what the plan would be if the reserves were gone.
- **Jeff Wilson** replied cost savings can be generated annually through vacant positions and one component of the strategic plan will be to develop a long-term strategy to align our resources and expenditures over time. For now, we have forecasted that we have sufficient reserves to get us through the next couple of years; But looking out, if enrollments don't rebound, which we are hopeful they will stabilize and possibly rebound, it will be an ongoing strategy.
- **Elena Stoian** added that the HEERF and CARES funding helped bring the reserves back up to cover the next couple of years.

### **Agenda topic # 7 – Upcoming Action Item: IDC Workgroup Recommendations**

*(see slides 42-48)*

*Presented by Eugene Sivasdas , Jennifer Daly, Dwayne Banks, Elena Stoian, and Michael Goldman*

- **Eugene Sivasdas** reviewed the recommendations of the IDC workgroup.
- **Akm Newaz** expressed concern about the cost of hiring postdocs and stay competitive.
- **Eugene Sivasdas** will review with the others in the workgroup to see if this topic is part of the charge.
- **Gretchen Le Buhn** asked if she could give edits and/or general questions right now.
- **Eugene Sivasdas** will take edits and general questions. Edits could be emailed to the workgroup.
- **Gretchen Le Buhn** gave the following feedback:
  - questioned the statement that says the University is not funded to support research that benefits external entities since the CSU mission has several statements that support work with external communities and suggests the statement be reworded since research should benefit external entities and critically important to have an impact on the surrounding community.
  - MOU's between different departments or groups on campus are referred to in the report without text to support why that discussion would be useful. Are there issues where money is unfairly allocated since we don't use MOU's on a general basis?
  - Where did the numbers come from to support the recommendation for two to three years' worth of money to be kept in reserves and how much has been needed in the past?
- **Dwayne Banks** explained that reserves for indirect cost funds are those funds that are not spent and held onto for future use. The word reserves and behaviors around should be edited in the report for clarity.
- **Gretchen Le Buhn** requested the right percentage be considered for the necessary materials for teaching.
- **Dwayne Banks** explained the budget planning process for the colleges to include these types of costs and mentioned he would be meeting with the units to help them provide estimations of equipment needs with both replacement and depreciation in a systematic way. This would be outside of the IDC funds but can be used for those purposes as one-time funds as well.
- **Gretchen Le Buhn** expressed historically equipment replacement was left up to her raising the funds and including this in the budgetary process would be beneficial.
- **Michael Goldman** expressed the restriction on the accumulation of funds is just a guideline and agree that colleges could designate the IDC funds for startup packages, replacement equipment, service contracts and other university-wide needs and then it would be designated instead of carried over as a "reserve". We

should determine what those expenses will be and identify funds on a regular basis, plus documenting larger cost needs.

- **Eugene Sivadas** explained the use of MOU's between collaborating units for IDC funds could be done in a simple form. Also, iterating the suggestion to keep no more than \$600k for anticipated use and spend the rest as an investment on startup costs or whatever is needed. For external entities, the university is not funded for them. The report will be revised for greater clarity in these areas.

### Agenda topic # 9 – Public Forum

- **Rick Harvey** asked how do we think about the planning for the low enrolled classes. Is there any cut off or minimum, so that we don't have to cancel a class?
- **Amy Sueyoshi** explained that targets are given to colleges for classes considering those classes that students need to graduate. These classes should avoid being cancelled in order to meet the students needs.
- **Daniel Gabriner** asked about the number of vacancies and how they contribute to the reserves for next year and also if the 2022-2023 budget is finalized for distribution yet.
- **Elena Stoian** replied the vacancies funded can be reported but will look differently depending on when you take a snap shot due to filled positions. During the financial oversight every unit has the opportunity to look at their vacancies and see what was saved from past months and what's the plan moving forward. So there are ways during the fall and winter to measure the savings from the vacancies.
- **Jeff Wilson** added the 2022-2023 preliminary budget is finalized but pending items from the Chancellor's office such as compensation adjustments which will post by the end of October. This will then go into winter review.

### Co-Chairs adjourned the meeting approximately 11:51 AM

- Next meeting: Tuesday, September 20, 2022 from 10:00 AM – 12:00 PM via Zoom

-end (lv)

### Chat:

- 01:08:20 Nancy Ganner: <https://mystory.sfsu.edu/>
- 01:27:10 Gretchen Le Buhn (she/her): @Nancy Gerber. Interesting question about CCSF. I have also wondered what the impact of our local community colleges going tuition free has on our first time freshmen.
- 01:30:10 Member Genie Stowers (she/her) Bay Miwok:  
<https://www.sacbee.com/news/local/education/article263625618.html>
- 01:30:35 Chanda Jensen: Great information share Genie!
- 01:30:43 Gretchen Le Buhn (she/her): Humboldt is also becoming a California Polytechnic to help combat their decline.
- 01:31:54 S. Evrim Ozer (they/them/theirs): Thank you, that's very interesting info about Humboldt:  
<https://www.calstate.edu/csu-system/news/Pages/a-polytechnic-transformation.aspx>
- 01:31:58 Rick Harvey: @Genie, The SacBee link asks to subscribe. Is there a direct link to the news?
- 01:33:36 Member Genie Stowers (she/her) Bay Miwok: Rick-- that is correct, they have a paywall-- the direct link is above. They have no provision for gift articles (that I can find). Sorry...
- 01:34:42 Nancy Ganner: SMC can access articles with their clipping service, I believe, and may be able to share a pdf. Contact Steve Hockensmith (I think?)

- 01:38:22 Liesl Violante: *Link from slide: [www.dof.ca.gov/wp-content/uploads/Programs/Education/CSU-Compact-May-2022.pdf](http://www.dof.ca.gov/wp-content/uploads/Programs/Education/CSU-Compact-May-2022.pdf)*
- 01:42:47 Jeannette Warren: *Thank you*
- 02:07:08 Amy Sueyoshi: *Just a note that we were able to reduce lecturer costs this past year due to lower enrollment.*
- 02:08:06 Nancy Ganner: *Our new Strategic Plan: <https://planning.sfsu.edu/>*
- 02:08:39 Member Genie Stowers (she/her) Bay Miwok: *Thanks, Amy. It's hard to see how lecturer costs could not be going down at least some, given the declines in enrollment.*
- 02:10:38 Liesl Violante: *MPP/Faculty Office Hours tomorrow at 10AM:*
- Michael Goldman & Gretchen Le Buhn (Hosts)
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- *Join Zoom Meeting*
- *<https://sfsu.zoom.us/j/88092866460?pwd=WWt2Ny9PMU93UTdiaEtwSoppNW9iZz09>*
- 02:11:33 Liesl Violante: *Staff Office Hours tomorrow at 10AM:Mary Menees (Host)*
- *Join Zoom Meeting*
- *<https://sfsu.zoom.us/j/87517286248?pwd=OVVwZWFMWVYyWG12c1hCVklJaVJnZz09>*
- 02:12:36 Liesl Violante: *Visit UBC website for more information and previous meeting presentations and minutes: <https://adminfin.sfsu.edu/ubc>*
- 02:13:26 Liesl Violante: *1 more minute until we begin*
- 02:19:35 Gretchen Le Buhn (she/her): *<https://www.calstate.edu/csuo-system/about-the-csu/Pages/mission.aspx>*
- 02:25:22 Liesl Violante: *IDC workgroup report:  
<https://adminfin.sfsu.edu/sites/default/files/documents/Indirect%20Cost%20Workgroupfinalversionsaugust182022.pdf>*
- 02:32:19 Liesl Violante: *Please forward any feedback for consideration to [UBC@sfsu.edu](mailto:UBC@sfsu.edu)*
- 02:33:56 Member - Michael Goldman: *Anyone can provide input on that posted report.*
- 02:36:58 Janet Remolona: *It's really important now that our messaging to students is that we are going returning to in-person so we can manage their expectations.*
- 02:39:12 Amy Sueyoshi: *Thanks to Janet and her comment above!*
- 02:39:35 Jamillah Moore: *Thank you!*
- 02:40:06 renee e. stephens (voting member): *Thank you everyone -very helpful!*
- 02:40:16 Lufei Ruan: *Thank you!*