



## University Budget Committee Meeting Minutes

**Date:** Thursday, August 26, 2021

**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, A.S. President Joshua Ochoa, AS VP Finance Nia Hall, Ben Kumli, Kathleen Mortier, 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, Mirel Tikkanen, Venesia Thompson-Ramsey, Tammie Ridgell, Deborah Elia, Jaime Haymond, Jamil Sheared.

**Members Absent:** James Martel, Sandee Noda, Lark Winner, UAPD representative

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

**Guests Present:** Jay Orendorff, Sutee Sujitparapitaya, Lori Beth Way (list of all guests furnished upon request)

Accompanying presentation to read concurrently and can be found here: [UBC Meeting Presentation August 26, 2021](#)

UBC co-chairs called this meeting to order at approximately 10:04 A.M.

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

- **Jeff Wilson** and **Jennifer Summit** welcomed committee members and guests.
- **Jeff Wilson** asked members to introduce themselves, at this first meeting of the semester.
- **Genie Stowers** as a Steering Committee member, reminded attendees 5 ways to share feedback with UBC including addition of short open forums after significant topics and action items, so UBC members can consider any feedback before voting on an item.

### **Agenda topic # 2 – Approval of minutes from May 20 and May 28, 2021 meetings**

- **Jeff Wilson** requested approval of meeting minutes from the past two meetings.
- Motion for approval was made, seconded, passed, with abstention from Jamillah Moore (as a new member).

### **Agenda topic # 3 – President’s Message**

- Welcomed nearly 130 meeting attendees and expressed appreciation for the hard work accomplished quickly to bring an estimated 13,000 students back to campus and continue to support an estimated 12,000 continuing remotely, while uploading vaccination information, tracking compliance, etc. Reiterated the joy of students returning and seeing them on campus, and thanked the campus for pulling together to meet the challenges.
- Reminded the concern of declining enrollment continues, largely due to long-term demographic shifts (i.e., SF has the smallest amount of children than any other major city) and campus will miss its enrollment target by about 9% - other Northern CSU’s experiencing about the same. This results in the persistent use of reserves to balance the budget, which has been the case since she first arrived to campus.

- Federal funds helped in the short-term with one-time funding due to the pandemic, but lots of work still to do to stabilize and build enrollment again, likely never to the large numbers they were in the past. Re-opening campus to in-person instruction helped enrollment; if remained remote, freshman classes would have been very small.
- Conveyed gratitude to UBC for advising how to allocate HEERF funds. Stabilizing the pandemic continues to be a challenge, but has great confidence in what the campus community is capable of.

#### **Agenda topic # 4 – Presentation: 2021-2022 Enrollment Projections**

- *(see slides 8 - 17)*
- **Katie Lynch** summarized her presentation, with the data shown on slide 15.
- Commended progress made while bouncing back from the pandemic, but it will take time. Challenges are the demographics mentioned by President Mahoney, community college enrollment suffering over past years, especially during the pandemic, which feeds transfer student population.
- UC's will be limited on how many out-of-state students they can accept, enrolling more in-state students and depleting the pool of potential CSU students.
- The Strategic Enrollment Advisory Committee (SAEC) is working to combat this over time; the university-wide effort of 80+ volunteers tabling the first two weeks to get students back into classes was helpful, and Deans and colleges are doing direct outreach also. Everyone is doing everything they can to bring in enrollment. All that work brought the transfer student decline from 8% to 2%. The University Advisory Council and undergrad admissions are working together to contact all freshman to strengthen incoming student numbers.
- Grad enrollment is seeing growth, an anticipated 3%-4%, but to tie it into the big picture, its still 1,000 students down from 10 years ago.
- Freshman enrollment is up from where it was a few days ago due to direct recruitment, but results from vaccine compliance remains to be seen.
- The challenges of admitting lower division students will be unclear throughout the enrollment cycle. Spring transfers pose another challenge, as its uncertain how limiting in-person campus visits affected decisions to enroll, and how competitor waitlist decisions affect enrollment (ex: Long Beach accepted 8,500 from their summer waitlist).
- All are being as responsive as possible with permissions for adding late classes, then focusing on student engagement for Spring to drive up transfer numbers, and providing more opportunities for outdoor tours as safely as possible.
- **Lori Beth Way** spoke to slide 16 about retention.
- Retention of cohorts is better, even in small numbers, in thanks to a stronger partnership of Academic Affairs and Enrollment Management. Challenges include students who were dropped due to the vaccination requirement and helping those who met it, but had not responded. Unknown yet what the impact will be of how many were missed, and how many can comply to get back into their classes.
- This doesn't seem to affect the headcount as much as it does FTE (Full Time Equivalent); students are taking fewer classes this semester than the average unit load - unclear still if due to vaccine requirement or due to not as many in-person classes. They will add students all the way to census, to help enrollment. Student engagement outreach is happening now so students don't miss windows of registration.
- DUEAP team presented to groups on campus to help reenroll students who left in good standing Fall 2019, the cohort that affects the 2025 Grad rate and were members of underrepresented minorities, which netted a 17% yield back with Metro, and remarked on what can be done when working together across campus.
- Other ways include support for funding for students experiencing financial strain and streamlining the admissions process, and if a student has missed 1-2 semesters, going through CalState Apply again as a new student, as this was creating barriers.

- **Katie Lynch** concluded with the immediate efforts underway in the reengagement campaign for students lost over the last few semesters due to the pandemic, or who chose community college over university. Is working with Sutee to review the data of where they went, if anywhere, to ensure they know they can reapply for Spring admission. Also working with the Budget & Logistics group to plan more in-person planning and engagement as competitors are, to showcase a thriving community on campus, and working with the SM&C team for digital yield campaign as they did with Fall 2021, producing 89% of those students accepting their admission offer. Thanked all for the shared strategic planning being done.
- **Teddy Albiniak** echoed gratitude for the increased coordination across divisions. Asked if in her experience, even though unpredictable in a post-pandemic environment, if such efforts might stop an enrollment freefall or grow, if things don't change within a year, or, if there is a 2/5/10 year model in the strategic plan.
- **Katie Lynch** responded they're working through the planning phase stages with SEAC on understanding the size and scope of the expected student cohorts with the demographic declines and competitive landscape. The UC's admitting more in-state students in particular: when UCLA used to rely so much on out-of-state students. The trickle-down effect is going to have a large impact. They are working through short and long-term projections
- **Lori Beth Way** added there could be opportunities around the equity gap, and working with that may help improve retention.
- **Sutee Sujitparapitaya** responded to the prediction question with the demographic prospective for high school graduation predictions: about 2/3 of first-time freshman come from Northern California, which is in decline. With the strategic planning happening, there may be changes to this down the road.
- **Kathleen Mortier** commented that although grad enrollment is only 10% of the total enrollment, asked if there was any strategic planning for growing those programs, as the programs are strong, and considering the demographic issue just mentioned.
- **Katie Lynch** replied Noah and Sophie have been working on understanding the demands of the programs and where there may be opportunities to grow, and different partnerships that can be established. As far as other demographic areas and in response to a question in the Chat about out-of-state and international students, those don't count in meeting the enrollment target, but they do bolster tuition and fee revenue. The strategy they're planning with the EAB partnership through SEAC will determine the amount of resources that can be put into out-of-state and international recruitment on an on-going basis. They've seen a bit of rebound with international students, but again, it doesn't count towards meeting enrollment targets.
- **Darlene Yee-Melichar** noted the Legislative Analyst's Office published a preliminary version of the '21-'22 budget overview of the state spending plan, and it provides \$3.9B in new discretionary General Fund monies in the coming year. \$500M of this is going to higher education, beyond the base funding for what they call "targeted augmentation" for universities. This would include funds for affordable student housing, which is important for campus growth. Asked if the strategic enrollment plan will look to recruit/grow more resident students, and also, what will happen with out-of-state and international students, when considering the student profile and maximizing campus growth.
- **Katie Lynch** responded they'd need to look at the funding and determine if it can be used to subsidize the cost of building new student housing, based on what's actually received, which will determine next steps from an enrollment perspective. Greater housing capacity would give the ability to recruit from areas that require students live on-campus. Looking at the historical data, retention of students that need to live on campus due to the housing challenges and cost of living here, is a fine balance. Need to see where the funding lands and what it means for this community in particular, and what it may impact.
- **Evrin Ozer** asked if there are (less children, high school grads) demographics available not just for SF but for the general Bay Area, including Southern California, where mentioned it seems to be a challenge but housing them could be a significant part of the solution.

- **Sutee Sujitparapitaya** shared the incoming high school graduation rate for SF is declining for the next three years, picks back up in year four/five, but then declines again. For Southern California, it's growing slightly – not as high as it used to be, but higher than the SF/Bay Area surrounding counties.
- **Genie Stowers** remarked the data looks bad right now, but applauded the coordination between the three departments on campus working on a range of strategies together, which is refreshing. Feels optimistic about what has already been done to make a difference.
- **Jerry Shapiro** referred to Kathleen Mortier's question about grad programs and shared there were many more applicants to grad programs that had to be turned away. Asked if the enrollment team can also do research on the data of who is applying to grad programs and how to guide that effort even further. Explained there a rich diversity in the pool of students who desperately wanted to get into the grad programs, so have to find pathways for at least the next year or two while Cares funding is available, to open these doors of opportunities for the Spring semester or Summer – maybe an early start program for the highly motivated individuals who are prepared to take classes here and remain committed to graduate.
- **Sophie Clavier** agreed there are a lot of applicants that apply to highly competitive programs like Social Work or Computer Science grad programs, but to simply open the doors brings the same issue of capacity, considering the university mission to undergrads. She has embarked on a program for a capacity survey and there is room for growth, but not without endangering the integrity of the undergrad program. Although agrees the adult-learner audience needs to be tapped, especially for those in the Bay Area whose employer is offering tuition reimbursement, Katie's Enrollment Management team and the Academic Affairs team can come up with a strategic plan to grow this enrollment. Agreed that something needs to change and confirmed a meeting with Jerry later to discuss ideas. Acknowledged transition is always difficult, and something has to be given up to grow in other areas, but the cost has to be evaluated.

#### Agenda topic # 5 – Budget Update 2021-2022

*(see slides 18 - 70)*

- **Jeff Wilson** presented a look back to 2021 budget for its actual performance compared to its plan (slides 18-49).
- **Genie Stowers** asked about the Designated Balance and Reserves slides (slide 45-49) and recalled a conversation about whether HEERF funds could be used to help rebuild reserves or do deferred maintenance.
- **Jeff Wilson** replied during the current '21-'22 fiscal year, they will be executing the HEERF plan approved by UBC in June, which included some recovery of lost revenue to help balance reserves used to cover those costs.
- **Genie Stowers** asked for further clarification on funds used for economic uncertainty, as she noted they went up a bit instead of down, and where the \$3M needed to cover the prior deficit came from.
- **Jeff Wilson** responded it came from the reserve funds for economic uncertainty, which decreased the deficit from \$14M to \$9M.
- **Evrin Ozer** asked to clarify the difference between designated balances and reserves for economic uncertainty.
- **Jeff Wilson** explained the university is required to designate balances that exist at the end of the year, and one of these categories is economic uncertainty, or what is referred to as Central Reserve. For example, if designated for equipment, then that unit has to set aside or designate a balance for that equipment purchase.
- **Elena Stoian** continued the budget presentation on slides 50-70.
- **Teddy Albiniak** followed up on Genie Stowers question asking if the figures shown include anticipated HEERF funds for support in any of the designated categories.
- **Elena Stoian** replied some HEERF funding has already been designated for the approved projects that they have already begun, such as for instruction or facilities.
- **Darlene Yee-Melichar** asked about the budget impact on equity issues for students; Elena mentioned funding withheld by the CO for systemwide priorities, and some campuses used funds for providing students with ipads.

If systemwide, wondered if that was coming to this campus as well. Additionally, SUG grants have been reduced and asked if that will be made up in financial aid, CalGrants or Pell grants.

- **Elena Stoian** shared the ipad costs were going to be purchased with HEERF funds but it was not a sustainable expense so it was not approved, yet the two campuses had already communicated it to their students so they had to hold that commitment. Re: the SUG grants, it wasn't a reduction but more of an adjustment as they do every year, and then those funds are targeted for other priorities; increases go to campuses that have a higher population of Pell-eligible students. On the other hand, this campus does also offer financial emergency award grants from HEERF and for summer programs, and there may be additional one-time funds coming targeting low-income students.

#### **Agenda topic # 6 – Informational Item: HEERF Update**

*(see slides 70 - 76)*

- **Jay Orendorff** presented an overview of the HEERF (Higher Education Emergency Relief Fund) funding process, still in the early stages.
- Explained this will be a heavily-audited process so need to ensure everything aligns and is audit-ready. All are making good progress so far.
- Project managers are beginning to start operationalizing their projects and submitting expense plans.
- **Mary Menees** asked about the timeline, as it seems to get shorter to spend funds and cannot go beyond April 30, but some projects have not begun yet, and if there was a plan to move faster.
- **Jay Orendorff** replied he is working at the pace of the project managers, as its up to them. There are 40 projects and 23 project managers, with a lot of moving parts.
- **Frank Fasano** added that some projects are large, and require other factors such as Fire Marshal approval or a bidding process, and all that can take time before a project has even begun.
- **Chanda Jensen** asked where the approved-project list is posted, and if it would be posted on the UBC website.

#### **Agenda topic # 7 – Transparency Topic: Chargebacks**

- (deferred to next meeting due to lack of time)

#### **Public Forum**

- **Jeff Wilson** opened the public forum.
- **Danny Paz Gabriner** observed revenues seem to be between the three scenarios previously offered: between *good* and *best case*, so there should be extra funds somewhere. With the positive movement on tuition and fees, it still looks like overall revenue is down while costs are up. Where did revenue go, now that it shows deficit.
- **Elena Stoian** replied the line-by-line itemization gives the impression of additional resources, but the year started with a \$12M deficit from last year which had to be covered. That would be an additional UBC meeting to elaborate on comparisons between the scenarios and how they compare to meeting the enrollment targets, and why the expenses are higher than the resources.
- **Michael Goldman** asked about the \$12M deficit and if that was the actual or budgeted deficit.
- **Elena Stoian** replied it was budgeted, as it includes vacant positions and plan-to-hire positions as well.
- **Jeff Wilson** also responded to Jane Dewitt's question as to why the budget was compared to the prior budget plan and not the actuals.
- **Elena Stoian** responded the prior year actual included the reductions, and in the performance analysis Jeff Wilson showed, the costs were much lower. If budgeting based on actual with the vacancies, plan-to-hires, then

all the eventual retirements would not be funded up-front, so they budgeted on the plan with the active positions and the vacancies.

- **Eugene Sivadas** noted it seems the projected expenditures for the following year are \$393M, whereas the actuals for this recently concluded year are \$367M, and asked where the variance of approx. \$25M-26M went.
- **Elena Stoian** replied there was a jump in salaries in bringing back the vacant positions, where those hires were frozen during the pandemic.
- **Jennifer Summit** added that one of the contributing factors was the Academic Affairs instructional budget; it met the reduction target given by the university by covering a portion of instructional costs with carryforwards, while budgeting for the full instructional budget. This included \$7M in lecturers that was covered, so that might explain some of the variance. The actuals included spending from the carryforwards.

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

- Next meeting: September 23, 2021

/nr-g

#### **NOTED COMMENTS AND LINKS FROM THE CHAT:**

10:31:59 From Lori Beth Way, DUEAP to Everyone: Yay everyone! That's great news!

10:32:16 From Member - Katie Lynch (she/her/hers) to Everyone: ^^ yes, way to go!

10:32:31 From Alex Hwu (he/him/his) to Everyone: True, wonderful news

10:34:04 From Lori Beth Way, DUEAP to Everyone: As reminder, the summer before this one no one could go anywhere. So, they took classes :)

10:35:13 From Katie Murphy to Everyone: I imagine students experienced higher rates of unemployment in Summer 2020, as well.

10:35:22 From Member, Eugene Sivadas (Dean, LFCoB) to Everyone: Good point, it may also indicate latent demand for online classes in Summer

10:39:27 From Lori Beth Way, DUEAP to Everyone: UAC = undergraduate advising center

10:41:43 From Member, Jennifer Summit to Everyone: To Katie's point, 10 years ago grad enrollment was close to 25% of our overall enrollment; now it's closer to 10%.

10:44:13 From Member, Renee Stephens fr. EOP to Everyone: Katie's presence has made significant positive changes ....

10:46:40 From Alex Sanchez to Everyone: Yay Metro!

10:49:55 From Member, Genie Stowers (she/her) to Everyone: It's great to hear the kind of proactive work, collaborative work being done on campus now-- thanks for these extra efforts!

10:53:34 From Member, Jennifer Summit to Everyone: to underscore Lori Beth's point: retaining current students is an important way to build enrollment

10:54:00 From Joseph Chen to Everyone: If the pandemic subsides, will recruitment of international and out-of-state students be sufficient to alleviate the enrollment gap, or doe the Chancellor's office only count CA residents?

10:54:05 From Member, T Albinia (he/him/his) to Everyone: Thank you so much all for your answers and your work

10:58:03 From Member, Darlene Yee-Melichar to Everyone:

The Legislative Analyst's Office has just published the following report:

The 2021-22 Budget: Overview of the Spending Plan (Preliminary Version)

This report is available using the following link:

[https://lao.ca.gov/Publications/Report/4448?utm\\_source=laowww&utm\\_medium=email&utm\\_campaign=4448](https://lao.ca.gov/Publications/Report/4448?utm_source=laowww&utm_medium=email&utm_campaign=4448)

11:02:01 From Alex Sanchez to Everyone: Could the decline of students from So Cal be curved by improved communications about student support services like the new Latinx Student Center?

11:02:12 From Lori Beth Way, DUEAP to Everyone: We created a one unit course called Living in San Francisco to help students transition and be retained at higher levels.

11:03:17 From Member - Katie Lynch (she/her/hers) to Everyone: @Genie, thank you... i'm continuously impressed by the number of willing partners here.

11:03:36 From Member, Jennifer Summit to Everyone: Agreed, Genie—big challenges need collaborative solutions

11:04:40 From Alex Sanchez to Everyone: Perhaps an expansion of recruitment materials in multiple languages for parents to make them feel comfortable about sending their children away

11:06:20 From Member - Katie Lynch (she/her/hers) to Everyone: @Alex, we've really increased our communication with parents and guardians/families and look forward to doing more.

11:06:35 From Alex Sanchez to Everyone: great!

11:06:44 From Member, Evrim Ozer (they/them/theirs) to Everyone: Alex, I like your question and comment. I've seen improvements in that area, and thank you Lori Beth for sharing information about the Living in SF course. If Alumni Association can support that course in any way with engaging with alumni willing to volunteer, please don't hesitate to reach out.

11:07:20 From Lori Beth Way, DUEAP to Everyone: @Evrin - thanks! I'll let Grace Yoo know. She organizes all the sections.

11:07:24 From Alex Sanchez to Everyone: Cal sends busses to So Cal to pick up new students....

11:07:47 From Mari Hulick (she/her) to Everyone: Thank you for this informative meeting, I have a University Chairs Council.

11:18:07 From Nancy Ganner to Everyone: we're moving quickly but this will be posted on the UBC webpage this afternoon for you to read at your leisure :)

11:22:41 From Member, Eugene Sivadas (Dean, LFCoB) to Everyone: @Evrin CSU's operating fund designated balances and reserves pay for nonrecurring expenses to manage short-term obligations and commitments, provide funding for capital infrastructure repairs and maintenance and help ensure that operating costs can be paid during times of economic and budget uncertainty. Recently, CSU's reserve policy was revised to encourage campuses to accumulate a minimum of one-quarter and a maximum of one-half of the annual operating budget. The policy also requires designation and reserve amounts to be established and reported annually by the campuses and the system office. These amounts are published on CSU's financial transparency portal and reported annually to the Board of Trustees.

Designated Balances & Reserves: \$1.7 Billion

Short-Term Obligations

814,169,000

Capital

356,106,000

Catastrophic Events

39,981,000

Economic Uncertainty

467,774,000

Total

\$1,678,030,000

11:25:40 From Member, Evrim Ozer (they/them/theirs) to Everyone: Thank you, Eugene and Jeff. I am quite clear on it now. Thank you Eugene for this and I can see now on Jeff's Slide 49 to be available later how it is all laid out.

11:26:23 From Member, Evrim Ozer (they/them/theirs) to Everyone: Sorry, meant Slide 39.

11:35:33 From Jane Dewitt to Everyone: Why don't you use actuals in 2020-21? These are the budget amounts, correct?

11:37:32 From Jane Dewitt to Everyone: It would be helpful to have dollar amounts as well as percentages in these figures.

11:41:31 From Member, Jennifer Summit to Everyone: To follow up on Elena's answer to Teddy's question: HEERF funding for instruction is covering the additional, one-time costs of F2F instruction this fall, but it won't affect AA's ongoing instructional budget ...

11:43:30 From Member, Evrim Ozer (they/them/theirs) to Everyone: @Elena Stoian, no worries to answer now, because I know we're short on time. Feel free to email me or Teams whenever you have the opportunity: What is the "low cost student housing grant" on Slide 51? I guessed that's recurring, I was curious of its funding source. Thank you so much.

11:45:53 From Jane Dewitt to Everyone: I thought the 12 million deficit was a budgeted deficit, not the actual deficit?

11:46:31 From Member, Eugene Sivadas (Dean, LFCoB) to Everyone: Actual deficit was 3.5 million?

11:47:35 From Member, Elena Stoian to Everyone: We budget including the vacancies too

11:49:07 From Jane Dewitt to Everyone: I guess I don't understand why the 2021-22 budget is being compared to the prior budget - why not prior actuals?

11:56:18 From Chanda Jensen to Everyone: What projects were chosen? Is there a list somewhere?

11:58:46 From Chanda Jensen to Everyone: Thank you!

11:58:58 From Member, Joshua Ochoa (he/him) to Everyone: Thank you everyone for all of this incredible information!!

11:59:41 From Member, Joshua Ochoa (he/him) to Everyone: Will the presentations be available online as well?

11:59:47 From Member, Jamillah Moore to Everyone: Thank you this was very informative.