



University Budget Committee Meeting Minutes

Date: Thursday, Aug. 31, 2023, via Zoom

Voting Members Present: Robert Keith Collins, Jennifer Daly, Iese Esera, Daniel Gabriner, Michael Goldman, Mari Hulick, Jeff Jackanicz, Crystal Kam, Gretchen LeBuhn, David Miller-Shevelev, Dylan Mooney, Jamillah Moore, Tiffany O'Shaughnessy, Shrey Patel, Jason Porth, Irving Santana, Eugene Sivadas, Genie Stowers, Amy Sueyoshi, Alaric Trousdale, Jeff Wilson

Non-voting members present: Deborah Elia, Chanda Jensen, John Kim, Katie Lynch, Lynn Mahoney, Cesar Mozo, Sandee Noda, Tammie Ridgell, David Schachman, Jamil Sheared, Elena Stoian, Venesia Thompson-Ramsay

Guest presenters: (n/a)

Members Absent: Emiliano Balistreri, Brad Erickson, Ashkan Forouhi, Tim Jenkins

Meeting coordination: Mariela Esquivel, Nancy Ganner

Accompanying presentation can be found here: [UBC Presentation August 31, 2023](#)

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UBC co-chairs called the meeting to order at approximately 10:05 A.M.

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

- Amy Sueyoshi and Jeff Wilson welcomed committee members and guests.
- Agenda reviewed and guests reminded of the ways to contact UBC, including upcoming Office Hours on Sept. 1<sup>st</sup>.

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

- Quorum established. New committee members noted.

### **Agenda topic # 3 – Approval of minutes from May 18, 2023 UBC meeting**

- Minutes approved as submitted.

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

- Lynn Mahoney shared appreciation to all for a great start to the semester. First-year students seem to be as engaged as they were prior to the pandemic.
- Remarked in the past, campus may not have budgeted strategically. It's doing a better job with recruitment and will do better with retention, but acknowledged things within campus control can help grow student enrollment.
- Reminded this is not the same California of the past; 20<sup>th</sup> century California experienced population growth and universities grew at rates no other State experienced. Since 2012 it hasn't grown and in 2022, California experienced a loss of population. Demographically there are fewer young people, fewer going to college and during the pandemic, fewer went to community college. SF State's enrollment is smaller because of California's shrinking population; nearly 80% of it is south of Santa Barbara. CSU is largely designed for students in that region. Student enrollment at SF State was about 24,000 and is now about 22,000.
- Stressed this does not minimize how hard it will be to resize campus, but there will be fewer administrators, lecturers and faculty due to lower student enrollment. Given the capacity of all employees, resizing can be done in a way that doesn't diminish the student experience.

- Jeff Wilson will share the start of the “glide path” down, but a structural deficit remains so reductions over the 3-5 year period will align enrollment with revenue. This story hasn't changed, but asked everyone to depersonalize it. Campus has to adjust to the demographic reality.
- Addressed the issue of employee recruitment and retention of faculty and staff; part of the challenge is the compensation is not competitive. This was proven for staff through the [Mercer study](#). Even if studies demonstrate tenure-line faculty are better compensated, with the cost of living in California and especially San Francisco everyone is in pain. The CSU is negotiating with nearly all its unions at the moment and in some instances, an impasse has been reached.
- Remains hopeful collective bargaining achieves good results, but advised it will come at a cost. Money has to be raised to pay better, and there are two main sources of revenue; one is the State, the other is student tuition. The State gave more funding for this year - remarkable given its deficit, and doesn't want to minimize the amount of advocacy this took. Noted the [CSU Board of Trustees](#) will vote in 2 weeks on a proposal to raise tuition: one is a tuition policy that allows the CSU in 3-5 year increments to make decisions about tuition, and then specifically about the next 3 years with a 6% tuition increase. In an ideal world, the State would adequately fund the CSU to support both students and employees.
- Assuming the tuition proposal passes, the CSU will keep working to offer affordable education so students keep enrolling. Student tuition alone is not usually the issue; it includes the cost of housing. The [West Campus Green project](#) is a great start as its subsidized by the State. Later will be talking with the VPs about how to possibly use philanthropy to drive down the average cost of student attendance. Added the campus has to better leverage financial aid, and a Chancellor's Office taskforce is working on the millions of dollars across the CSU left unused.
- Shared gratitude for everyone's participation on this committee, which is critical and deeply appreciated. The more that is known about shared goals, the better all can work together to get there.
- **Genie Stowers** asked to expand on the proposed tuition policy.
- **Lynn Mahoney** replied the Board of Trustees is discussing it. The first part would be a policy that would allow the system to add latitude to raise tuition, and then review every 3-5 years. There would be a specific proposal to raise tuition 6% for the time period that the first policy allows.
- Welcomed newest Trustee Darlene Yee-Melichar, former SF State faculty and present in this meeting in her new role, if she had anything to add.
- **Darlene Yee-Melichar** added Trustees are putting forth this proposal for tuition policy for transparency and predictability for CSU students and families to plan for adequate funding as they make their way to graduation.
- **Lynn Mahoney** added in the past the CSU didn't typically raise tuition. A campus doesn't know what its revenue will be until after scheduled classes are published and students register. The Chancellor made it clear where tuition increases would go: to staff and faculty, which is the bulk of the campus budget.
- **Mari Hulick** added that in cities like San Francisco, faculty/staff need help with the cost of living. Some are fortunate to have steady living situations near campus. Asked if there's a plan to help faculty/staff with significant subsidized housing other than [UPN](#).
- **Lynn Mahoney** replied Mercer did both [staff](#) and [faculty](#) studies, and the staff study recommended differential funding for San Francisco and San Jose campuses in particular. Hopefully in a few months campus will be able to share news about potential partnerships across the city to find affordable housing for educators which includes anyone from groundskeepers and up, as recruitment of young, new academic advisors is difficult also.

#### Agenda topic # 5 – SF State budget update

- **Jeff Wilson** introduced follow up to the UBC Spring '23 budget presentation. The main difference is the enactment of the State budget, then the CSU communicates campus allocations related to that budget. Today will share the “glide path” the President mentioned: a multiyear strategy to align resources with expenses based on assumptions including enrollment, stabilization and a multi-year reallocation of resources across the CSU.

- **Elena Stoian** noted campus went from a one-year budget plan to a multi-year plan, communicated last year via forums with many campus communities. Provided a campus budget review (see accompanying slides).
- **Genie Stowers** echoing the campus deficit will be funded by reserves, asked if there will be cuts and what that means for the reserves. Asked what the reserves balance would be after covering the \$9M deficit.
- **Elena Stoian** replied any potential compensation increases are not known yet, so plans for additional adjustments at the units are unknown. In preliminary budget planning for the '23-'24 budget, Cabinets met targeted reductions for this year but OE are still being funded from one-time funds from campus reserves. The reserve balance, before the budget is balanced, is \$15.8M.
- **Danny Paz-Gabriner** asked in using multi-year planning, if the reserves are drawn down by \$9M for this year, does that mean the remaining balance for next year will be approx. \$6M. and if so, if there is a \$6M deficit next year, if that means there will be \$0 left in reserves.
- **Jeff Wilson** advised the campus is in a holding pattern until labor negotiations are complete, and then there will be an update to the UBC and likely broader audiences across campus about next steps for the "glide path", which will include the question of reserve balances.
- **Alaric Trousdale** asked that because the total compensation picture is still up in the air, will there be any "what if" scenarios? Ex., what if CFA gets a general salary increase of 10% and how that would impact the budget.
- **Jeff Wilson** said when information is received from the Chancellor's office, they would be challenged with a combination of one-time funds and recurring funds to address those changes. There's no option not to have a solution but there's so many unknowns that describing a solution at this point may be impractical.
- **Gretchen LeBuhn** noted she's often surprised by the salary trends as there's a sense on campus of many vacant positions, especially staff, yet the numbers increase even if positions cannot be filled.
- **Elena Stoian** explained decisions about filling positions are at the unit-level and while some may not be filled, the critical positions need to be. In general, vacant positions have a higher replacement cost - it's not always an even exchange. Salaries and benefits are a majority of the budget (nearly 90%), and benefits costs are not in the campus' control. In January 2024, there will be a huge benefits impact to the budget, along with other mandatory costs such as utilities which are anticipated to increase about 20%.
- **Gretchen LeBuhn** added if staffing is down then the number of filled positions is lower, but she doesn't see that reflection in the salary component of the budget. If posted vacant positions are filled, how does that affect the budget and why is the budget increasing when staffing is down.
- **Jeff Wilson** explained there are vacant positions with funding in this budget. Most staff, faculty and administrators had a 7% salary adjustment last year that was accounted for at the university-level, which now has been allocated to the Cabinet divisions in this current budget.
- **Chanda Jensen** asked if there is a minimum amount set for reserves; a threshold that cannot be spent.
- **Jeff Wilson** replied there is no reserve minimum, legally. The research conducted recently for the Designated Balance, Reserves and Carryforward policy enacted last spring (see [Designated Balances, Reserves, and Carryforwards Policy](#) on the [UBC webpage](#)) points to achieving 10-15% of OE revenues, which would be about \$30M. The mission is not to build reserves, but to fund operations.

#### **Agenda topic # 6 – Divisional Budget Strategy review: Academic Affairs**

- **John Kim** opened the Academic Affairs budget strategy acknowledging it was shared at the May 2023 UBC meeting, and today's is an update to that particular plan. As part of their "glide path", the Academic Affairs 4-year plan calls for approx. \$5M reductions for this fiscal year, a \$5M reduction next fiscal year, a \$3M reduction the following year and another \$3M reduction that following year.
- Reductions have to be salary-based because the plan requires a reduction in the associated benefits. If they're not salary-based reductions, then the reductions would have to be \$7M-\$8M in the first years and \$4M-\$5M in the third

and fourth year. The academic affairs budget is very limited in OE so reductions can only come from salaries/benefits.

- The glide path for the next two years leaves two problems: how to make reductions in year two given how painful things are now, and how to build back an OE budget within the budget plan. The budget plan for next fiscal year in Spring will have \$5M in salary reductions plus the addition of an operating budget. Continued presentation referring to slides (see accompanying slides).
- **Amy Sueyoshi** thanked John for his clarity and actions in presenting this budget.
- **John Kim** added the issue faced last year in Academic Affairs as a collective, was the vast majority of the budget plan was based on attrition. Some have asked if Academic Affairs could "ride it out" based on attrition, as people will retire/leave and that salary-savings could help meet the reduction requirement, but it's not enough. Attrition is not a strategy for reducing expenditures. Some academic departments don't have that many faculty and they may all be very close to retirement age, and also there are departments with no faculty.
- Thanked Dwayne Banks for all the work he did to reduce the deficit in Academic Affairs. Without that it would have been nearly impossible to attain the reductions needed in July.
- **Dany Paz-Gabriner** noted it looks like there's about \$11M of reductions and wages from the colleges and also a net decrease from the other units, yet the summary is only a \$5M decrease. Seems there should be a \$6M increase not showing somewhere.
- **John Kim** shared he decided before the budget-planning process for this fiscal year closed, to build the \$5M reduction into the lecturer budget for the colleges next year. There was no OE budget to cut, and he could not make roster adjustments so the only place to reduce was out of the lecture pool.
- Next year's planning had to begin and it had to come from the academic side; what the major requirements are, how to offer class schedules -- things that affect instruction. The kinds of changes needed are beyond the changes made in the past. A year or more is needed to make changes to meet next year's glide path reduction. People will see the impact and will start working now to develop a plan so that by the time next fiscal year comes around, things will not be as painful as they are now.
- The only other option was to just wait it out and deal with it at that time, but based on experience in this position and what he's seen in the past, a plan was needed. The only way to start departments/colleges moving in the direction needed they need to go is to show them what that \$5M reduction looks like. They're beginning to understand its more than simply trimming around the edges. He has been meeting with the Deans, individual meetings, group meetings and encouraging planning discussions.
- **Dylan Mooney** understands OE were blanked out as they would be covered by carryforwards, but it would be good to know what they are as those are still costs that have to be covered. Also, asked if staff lines that have been moved to Academic Technology (AT) are reflected in the presentation.
- **John Kim** replied the presentation does not include reduction in salaries/wages for CHSS staff moves to AT nor the increase in AT for those 5 staff. If that change remains, it will be effective for the budget plan next year, when the April snapshot for the salary roster is taken.
- OE needs for the colleges and other units are known, as Dwayne asked all units for OE budgets to allocate carryforwards. Positions that become vacant during the fiscal year aren't part of the planning process. The plan for Academic Affairs is to centrally sweep that position vacancy fund and then the colleges/units will justify how they're going to use those funds get them back. The idea is to get a clear plan about where the money is going, and if for OE, then it'll be part of the developing OE budget.
- An understanding of college OE is needed to justify discussions with other colleges/units. If positions became vacant and replacement is needed, its best to have that discussion early so he could work with them to figure out whether or not an exact replacement is necessary, or what kinds of reorganization might make sense. If faculty leaves mid-year then they will hire lecturers to replace them in the classroom. Before giving back funds from any vacant positions, these conversations are important for making the kinds of changes needed to meet "glide path" goals.

- **Genie Stowers** noted the Graduate College of Education \$50K reduction and asked if the reduction came from the EDd student fee revenue, confirming it is a restricted fund.
- **Cathy Tong** (CBO for the GCOE) replied the student fee saw a decrease in revenue this year due to lower student enrollment, and OE decreased because they used more for salary this year. Confirmed the EDd student fee is a restricted fund and only used as the legislature intended.
- **John Kim** confirmed the reduction in OE is larger than the reduction in the projected revenues. A reduction in operating expenses ("OE") was needed because the salaries/wages the revenues pay for have increased.
- **Gretchen LeBuhn** noted when staff leave mid-semester it's not an automatic replacement. Biology lost an important position that supports laboratory classes and even though the position is posted it's still unfilled. Is concerned about hampering ability to deliver classes in a situation like this.
- **John Kim** replied he started position review a week ago and it makes sense to include that position for replacement. The goal is to streamline the process to fill those kinds of positions quickly.
- **Gretchen LeBuhn** noted streamlining is good but is concerned as it's one of the most frustrating issues on campus, and this may be adding another step to an already onerous process.
- **John Kim** will check with the Budget Office as this should not add an extra step.

#### Agenda topic # 7 – Indirect Cost Recovery ("IDC") Policy re-introduction

(this presentation was postponed due to time)

#### Agenda topic # 8 – Divisional Budget Strategies: Administration & Finance

(this presentation was postponed due to time)

#### Agenda topic # 9 – Public Forum

- **Danny Paz Gabriner** asked about the process for reductions, noticing differences between the colleges.
- **Amy Sueyoshi** replied Deans will implement reductions/how to work within their budgets. Classes needed for graduation will be funded. Stressed that classes students need to graduate or to advance their baccalaureate degrees will not be eliminated, but they will look closely at classes with multiple sections that are half-full in order to combine sections and still meet demand. Deans and department chairs know their areas best and that expertise will be relied upon to make the best decisions.
- **John Kim** added in anticipation for the second year of the "glide path", they did a pro rata reduction of the colleges' lecturer pool and funds will be returned to colleges as indicated by the Provost. \$5M is the reduction for all colleges, but they won't get the full \$5M because some funds will be returned to support those needed classes.
- **Tiffany O'Shaughnessy** noting the Indirect Cost Recovery item on the agenda had to be postponed due to time, and requested the item return to the next agenda earlier as the transparency about it is important, especially to faculty members like her who have grants coming in.
- **Amy Sueyoshi** confirmed the request and added the policy won't be made without consultation, and UBC will form a workgroup to create the policy based on recommendations made by the prior workgroup.
- **Christopher Bettinger** asked about the difference between the proportional reductions. Understands its tied to how big the college lecture pool is, but it may disproportionately tax the more efficient colleges that are using cheaper labor to get the work done.
- **John Kim** replied there are different reasons for the size of lecturer pools at the colleges; the question is whether those reasons will justify the reductions made across the colleges. Each college will be looking at their reduction in terms of instruction for next year. They will consider everything that's relevant.
- **Amy Sueyoshi** clarified the goal is not to pursue the cheapest way to teach, but want more tenure/tenure track faculty to teach students as much as possible.

- **Mary Menees** noticed the Division of Graduate Studies and Career Development showed a 7% increase and was wondering if that was due to Dean Clavier returning to the division.
- **John Kim** advised the salaries/wages would have been based on the snapshot taken in April 2022. She might not have been included in last year's so being added back for this fiscal year would probably account for all of it. Would have to review the details of the past fiscal year.
- **Dylan Mooney** asked about the process of dropping low-enrolled courses. Shared a hypothetical example of a tenure track faculty member teaching three courses this semester, and one gets dropped for low enrollment so does the faculty member pick up a new third course or now only teaches two courses the entire semester? Do they bump a lecturer for the third course? Is this plan explicitly being told to the colleges?
- **Amy Sueyoshi** emphasized they do not like to cancel classes and absolutely have to do for better course-planning. Some classes will be low-enrolled, such as a senior seminar for a major that might only have a handful of students, and a senior seminar is typically taught by a tenure track faculty member. There will be special cases like this where tenure/tenure track faculty might have low-enrolled courses but for very critical reasons.
- **Kendra Harris** echoing Dylan's question, shared as an AOC in BECA they created a schedule based on what was expected to run. They've had to cancel classes which were all tenure track, so they bumped lecturers from classes. LCA already lost lecturers and is concerned BECA will lose more. Asked who to contact with planning questions.
- **John Kim** explained they've had and will have more meetings not only with Associate Deans, but also with department chairs who have expressed those concerns. Acknowledged this year will be painful and hopes for an understanding that large reductions being discussed need to be planned for; colleges and departments need to work together to figure out how they'll mount curriculums and class schedules next academic year. The types of resolutions proposed includes decisions on how to allocate their overall central resources to implement a plan to avoid the kind of chaos there is now as much as possible. The advantage of facing it as soon as possible is having this entire year to plan for how not to do it next year.
- **Amy Sueyoshi** asked Lori Beth Way to give an enrollment update for this Fall.
- **Lori Beth Way** shared although not at census yet, FTES are down 1,000 from last year where typically there's a gain all the way through census.
- **Amy Sueyoshi** continued this means for anyone doing course scheduling, should probably consider scheduling less sections particularly if serving GE. If serving a high-demand major, do what's needed to make accommodations based on projected numbers.
- **Jeff Wilson** read an anonymous question received "with the Budget deficit, are we headed into a hiring chill or hiring freeze?" He replied in 2020, they introduced a campus hiring chill and have never left it. Every hiring decision is critical and must be considered in context of the glide path as well as other financial pressures. A hiring freeze is 'no hiring', but there are critical positions the campus cannot do without. As the financial situation evolves, is hopeful that using the glide path and the hiring chill while filling critical position will help avoid a freeze.
- No further comments received.

**Co-Chairs adjourned the meeting approximately 12:08 PM**

- Next meeting: Thursday, September 21, 2023 from 10:00 AM – 12:00 PM via Zoom

-end (nrg)

**From the Chat:**

10:08:50 From Member, Dylan Mooney To Everyone: Staff - bring your questions/comments/concerns to the Office Hours. I will be hosting.

10:39:23 From Nancy Ganner To Everyone: this is a time for UBC member questions, please - guests, please bring questions on any meeting topic to the public forum - begins approx 11:40am for up to 20 mins.

10:42:16 From Member, Dylan Mooney To Everyone: My questions have been asked so I took my hand down.

11:04:02 From Member Genie Stowers (she/her) on Bay Miwok lands To Everyone: the MPA program students provide the other fee

11:11:14 From Lori Beth Way To Everyone: Just FYI - DUEAP student assistants are largely tutors and peer mentors

11:22:21 From co-chair Amy Sueyoshi To Everyone: We will be making every effort to move OE back into the budget.

11:26:32 From Member, Dylan Mooney To Everyone: Thank you, John.

11:27:11 From Member Mari Hulick (she/her) To Everyone: My question was essentially answered.

11:29:24 From co-chair Amy Sueyoshi To Everyone: Thanks Mari!

11:32:20 From Member, Tiffany O'Shaughnessy, PhD (she/her) To Everyone: That's a really great point Gretchen about the ways that this does impact the student experience

11:34:50 From Member, Dylan Mooney To Everyone: There's also a concern with Student Assistants replacing Staff work.

11:35:53 From Member, Dylan Mooney To Everyone: ^^^ A collective bargaining issue

11:35:58 From Anarose Schelstrate To Everyone: Isn't it that before a job is posted, it is already approved by the budget?

11:37:27 From Cathy Tong (Guest) To Everyone: Thank you John!! Great presentation !

11:51:09 From Nancy G screenshare To Everyone: Attend UBC Office Hour tomorrow, Friday, 11AM - 12PM and ask any questions of your UBC member peers directly. Email UBC@sfsu.edu for your Zoom link (for all staff, and for faculty/MPPs)

11:51:36 From Christopher Bettinger To Everyone: Thanks John. Very straightforward answer. And yes, I lean towards incendiary speech Amy. I do trust that you two are acting in the best interests of campus.

11:59:19 From Member, Dylan Mooney To Everyone: So we still need to iron out the Assigned Time issue.....

12:00:59 From Guest Carleen Mandolfo (she, her) To Everyone: Feel free to reach out to me about Entitlement, Kendra, if you have questions about contractual obligations.

12:01:19 From Kendra Harris, BECA AOC To Everyone: Thank you Carleen

12:03:15 From Gitanjali Shahani she/hers To Everyone: Yes, the BECA Chair was present at the Council meeting.

12:04:15 From Ifeoma K. Nwankwo To Everyone: Avoiding chaos any year is crucial!

12:07:43 From Member, Michael Goldman To Everyone: Thanks to all!

12:07:51 From Member Robert Collins To Everyone: Thank you!

12:08:14 From Ocean LaLuce d'Luna To Everyone: Thank You!

12:08:40 From andreana clay To Everyone: Thanks you, Amy, Jeff, John and all!

12:08:41 From Grace Key To Everyone: Thank your all the work that went into this! Stay well everyone!