University Budget Committee Meeting Minutes

Date: Thursday, September 23, 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, 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 Albiniak, SIC Chair Michael Goldman, ASCSU FGA Liaison Darlene Yee-Melichar. Non-voting members present: President Lynn Mahoney, Dwayne Banks, Katie Lynch, Cesar Mozo, Sandee Noda, Mirel Tikkanen, Venesia Thompson-Ramsey, Tammie Ridgell, Deborah Elia, Jamil Sheared.

Members Absent: Jaime Haymond, Eugene Sivadas, Elena Stoian, James Martel, Lark Winner, UAPD rep
Committee Staff Present: Nancy Ganner, Edwin Critchlow (Budget Administration & Operations)
Guests Present: (list of all guests furnished upon request)

Accompanying presentation to read concurrently can be found here: [UBC Meeting Presentation September 23, 2021](#)
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UBC co-chairs called this meeting to order at approximately 10:05 A.M.

Agenda topic # 1 – Welcome from Co-Chairs
- **Jennifer Summit** and **Jeff Wilson** welcomed committee members and guests.
- **Jennifer Summit** shared slides showing Steering Committee and reminded of ways the campus can engage with UBC, such as various feedback opportunities and by attending the listed Office Hours.

Agenda topic # 2 – member roll call
- UBC staff took attendance. Noted absent members: Haymond, Sivadas, Stoian, Martel, Winner, and UAPD rep

Agenda topic # 3 – Approval of minutes from August 26, 2021 meeting

- **Jennifer Summit** requested approval of meeting minutes. Motion for approval made, seconded, passed.

Agenda topic # 4 – President's Message
- Fall is going well despite challenges. Students complying with masks/regular testing, over 2000 per week. Thanked the SHS department for extra support they're providing.
- Noted efforts underway to begin working on efforts put on hold since pandemic, such as the strategic plan.
- Asked for nominees to the new strategic planning committee (see link in Chat notes) and other upcoming activities to participate in the process. From there, work on identified initiatives can begin, and UBC will be critical in aligning campus values with funding.
- Noted Chancellor Castro visiting campus September 28th. Cost of living in San Francisco is still a crisis, felt by SJSU and East Bay as well, and hope this is on his radar to consider. Encouraged all to attend (see link in Chat).
- Looking forward to the Spring semester, acknowledging every new semester will be a transition, and thanked all who made this first semester back a success.

Agenda topic # 5 – Transparency Topic: Chargebacks, Part 1

- *(see slides 8 - 23)*
- **Jennifer Summit** advised this presentation is in response to a request via UBC Office Hours.
- **Jeff Wilson** explained chargebacks are also a form of cost recovery. CSU policy around chargebacks: https://budget.sfsu.edu/sites/default/files/documents/Guidelines_for_CSU_Funds_485_491_496.pdf
- (see slides for presentation content)
- **Genie Stowers** shared many on campus were looking forward to information around this topic. Asked if the requirement for chargebacks are from the CO or accounting.
- **Jeff Wilson** responded where the General Fund is providing services to other campus funds, such as self-support or auxiliaries, it's a requirement not only from the CO, but also from a State higher education code.
- **Genie Stowers** asked about notice departments should receive ahead of time about a particular charge. Noted part of the problem is they're not told, then typically receive a large bill on their accounting report and don't know what it's for. Asked about the process used to decide which services fall under chargebacks, and if there's room for negotiation around it. Departments with small budgets need opportunities to anticipate expenses. Estimates should be offered when Facilities visit the service site, rather than having to pursue the estimate.
- **Jeff Wilson** replied that long-standing chargebacks that have been in place for years not are not likely advertised annually, such as reprographic copying and printing. Continued that for routine, low-dollar chargebacks and higher ones from campus units such as Facilities, departments should seek estimates from the campus unit providing the goods or service before the cost is incurred/the work is undertaken.
- **Mary Menees** inquired about other chargebacks such as accounting service fees; what are they charged for, and why. Ex: stateside trust funds from student fees incur a chargeback, which can become significant over time.
- **Jeff Wilson** responded the General Operating Fund provides funding for the basic level of services that accounting and other administrative units on campus provide. Anything above that requires a chargeback model. For accounting service fees, those fees are used to fund additional accounting services, reporting and things the accounting division does related to those activities above and beyond the general operating fund.
- **Mary Menees** asked if they're helping to pay for accountant salaries when being charged for those fund services.
- **Jeff Wilson** replied that salaries was part of it.
- **Mary Menees** inquired how the accounting fees are determined.
- **Jeff Wilson** responded there is annual reconciliation ensuring fees charged match costs incurred. There is no profit motive; only to fund operations determined necessary to run the university.
- **Jennifer Daly** commented she understands the chargeback model concept as it seems to work in certain parts of campus, such as mail services, reprographics, telecommunications, insurance, etc. Confirmed its clear what those amounts are and where they're from. The issue with Facilities is the estimates end up being way off, or the scope of the project changes halfway through and costs explode, and that can't always be planned for. There are also charges that show up months later or at the end of the fiscal year, so they have trouble with reconciliation and encumbrances. Also noted the prices vary, and wondered if Facilities can provide a price list with hourly fees for services such as painting, and provide a sense of what the charges are for. Suggested perhaps Facilities can address this at a future UBC meeting.
- **Jeff Wilson** agreed that would probably be a good option for next steps. Noted is seems like Facilities is a common concern and the (concerned) units can come to this meeting, or hold another meeting to provide the types of information shared here.
- **Evrim Ozer** asked if there was an alternative to chargebacks, as there was a time when campus didn't use them so there may be a simpler process now, where quality assurance can be considered.
- **Jeff Wilson** shared a CSU alternative is having a chargeback model where costs are funded up-front, centrally. For example, reprographic costs would be funded centrally. Challenges he experienced at another campus with

that model would be the department loses control of managing its resources. For example, regardless of how much paper or toner is used, there is no control of those resources. For simplification of this process, it's an on-going challenge to keep it as simple as possible. In the chargeback model, the departments are trusted and empowered to manage their scarce resources. Delays in processing is something he noted a few times and hopefully that can be addressed.

- **Dylan Mooney** echoed comments shared about Facilities and added there's a sense of opacity around what the charges are for, as it's just billed as "Facilities recharge" and it may be anything from changing a lightbulb, painting or carpet-cleaning – it requires clarity. Acknowledged they did just publish a new/expanded list of charges, but it hasn't been publicized so few know about it. Recommended as a next step, the UBC form a workgroup to research chargebacks and whether the system works, or, better implement this system universally across campus so everyone has the same expectations. Additionally, there should be a mechanism for dispute when the charge may be incorrect.

- Added there should also be clarity around what may be a university obligation vs. a unit's obligation. He heard there's a 5-year cycle for a room refresh, but it may be difficult to tell if a room has been painted within the last 5-years, especially when asbestos may be present and that gets added onto the project and rolled into the charges (and asbestos is not recent). He commented it may be obvious when building exteriors have not been powerwashed in some time by the amount of spiderwebs covering them, and that seems to be a university obligation. Some units may be carrying more of the brunt than others. The labor portion is very opaque; understands paying overtime for emergency work, but regularly-scheduled work may not require overtime.

- Suggested the UBC form a workgroup to research chargeback practices.

- **Jennifer Summit** acknowledged suggestions for improving transparency and best practices around chargebacks and offered to take the topic back to the Steering Committee to consider next steps.

- **Akm Newaz** agreed with others and shared his experience at COSE where he's worked with Facilities on setting up and moving the labs, and the cost has been large with no explanation Costs seem non-negotiable. There doesn't seem to be any oversight Board, or transparency.

- **Jennifer Summit** agreed to discuss the transparency of this topic at the Steering Committee meeting.

- **Teddy Albiniak** shared three recommendations that came to the Senate on this topic:
  1) the university should publish the costs of all chargebacks, including Facilities, up-front
  2) the university should clearly distinguish between basic and premium services
  3) a recommendation that costs are to be negotiated publicly with key stakeholders
  Concluded that hopefully these concerns can be discussed at the Steering Committee meeting.

- **Jennifer Summit** summarized the UBC will come back to this topic after the Steering Committee has had a chance to consider the feedback and next steps.

Agenda topic # 6 – Updates/Information Items (none at this time)

Agenda topic # 7 – Presentation: Indirect Cost Recovery (IDC)
(see slides 24-31)
- **Michael Goldman** read Academic Senate Resolution #RS21-422: Resolution on the Transparency in Recovery and Allocation of Indirect Cost
- **Jennifer Summit** highlighted the actions to be taken:
  o The Steering Committee proposes convening a workgroup in October to review IDC practices and policies, as well as best practices outside the university
  o Addressing the call for advancing transparency on campus about federal regulations and practices
- **Jennifer Summit** reviewed the IDC workgroup Charge, and next steps:

- o Addressing UBC members, invited nominations and self-nominations from all members, via survey to be sent next day
  - o By April, workgroup will present its findings for consideration discussion within UBC and recommendations that will be delivered to President Mahoney at the end of the process.
  - o Expectation is also to serve the goal of budget transparency and literacy, as called for by the Senate resolution.
  - o Work of the group will be a standing item between October and April, so the workgroup can continue to report to the UBC and gather input as it will consult widely with stakeholders on this campus and representatives from other campuses to share best practices.
- **Darlene Yee-Melichar** asked about the workgroup's membership parameters and criteria.
- **Jennifer Summit** replied it will follow the model used last year for the RSO workgroup: members of UBC, but chosen to reflect a range of different experiences and interests so they're broadly representative.
- **Darlene Yee-Melichar** asked for clarification if non-UBC members such as Deans, grant PI's, will be able to join.
- **Jennifer Summit** responded UBC are members are parts of those groups and may be brought in to reflect the different levels of experience. The RSO workgroup model worked this way, but this group will have more time, as its expected it will bring in groups from outside as well. As with the RSO workgroup, the Steering Committee may appoint advisory members to offer prospective that may be complementary to the experience the UBC members bring.
- Finalized that the UBC members will have a September 30th deadline so nominations can be gathered and reviewed by the Steering Committee in early October.

Agenda topic # 8 – Action Item: Creation of IDC workgroup
- **Jennifer Summit** asked for a motion to support the creation of the IDC workgroup.
- Motion was made, seconded and passed.
- UBC staff launched a Zoom poll, and results shared onscreen showed 15 of the 16 voting members present voted in favor of creating the workgroup (note: abstention on record was an accidental vote/not a UBC member)
- **Jennifer Summit** remarked the results of the poll showed overwhelming support to form the workgroup and reminded members to vote on nominations when received.

Public Forum
- **Jennifer Summit** opened the public forum.
- **Genie Stowers** expressed the chargeback issue felt unsettled still. Asked if there was an understanding of next steps to address concerns raised by members of the community, whether it be a workgroup or a meeting. There appears to be a need for transparency, as there are comments in the Chat from members sharing their department has to clean their own hallway or pay for it to be cleaned, and there needs to be a concrete way to create guidelines around this.
- **Jennifer Summit** responded with the suggestion to bring this to the Steering Committee to reflect on the feedback shared and offer next steps, which could include forming a workgroup or steps needed for additional transparency.
- **Michael Goldman** shared questions from colleagues that had to leave the meeting about departments being charged for maintenance that should be considered Facilities work, such as cleaning shared hallways and restrooms. In Biology, he shared they're charged for everything that goes on in the building. Also asked how to distinguish between instructional and non-instructional activities, for the purpose of chargebacks.

- **Jeff Wilson** shared an example, when using instructional equipment for a non-instructional purpose (unsure if this happens at SF State): there may be a department that purchased a 3D printer with instructional funds, since it will be used on course instruction, but a self-support department such as Housing, may need to use it and would be utilizing that instructional equipment for a non-instructional purpose – a chargeback may be appropriate. There are lots of gray areas when it comes to chargebacks.
- **Katie Murphy** asked about Docusign being a chargeback and asked how the campus pays for Docusign - if a flat fee or if based on usage. If one department uses a software more than another, asked if there would be adjusted chargeback fees.
- **Jeff Wilson** replied the campus is centrally charged by Docusign as a service, which includes the software, so there is no chargeback related to Docusign. In some specific cases, if some units use a software to such a degree that the cost is attributable to that unit, there will be a chargeback fee to that unit. If it's used globally by the university, then the determination is made whether it should be paid centrally, or charged back. It's on a case-by-case basis. For Docusign, there is no chargeback because many different divisions are affected by the different transactions, so there's no concise way of determining usage.
- **Katie Murphy** requested further clarification of what determines how much the university pays for Docusign.
- **Jeff Wilson** responded it's a combination; a flat fee per the size of our institution and a per-envelope fee.
- **Gitanjali Shahani** inquired if there are comparative charges at other CSU's.
- **Jeff Wilson** responded chargebacks are not unique to higher education nor other industries - its common that central units perform services and deliver goods to decentralized units and have some type of chargeback model in place. Its not unique, and it's the same for IDC; all campuses have grants and contracts. Finding comparative information will be a part of the workgroup's work.
- **Ruth Cortez** explained the colleges receive IDC spreadsheets, and transparency is needed in understanding the multiple rates applied when it comes to grants. Suggested a workshop be offered at the beginning of the fiscal year to help explain allocations, especially to the Directors and Chairs. ORSP might invite CBOs and Deans to this workshop, to have a clear understanding of IDC, how it can be used and rollover options.
- Re: chargebacks for Facilities, there is no transparency, as experienced in the 14 years she's worked here. Its always had problems with delays, no explanations, how costs compare to outside private sectors, and hourly rates compared to other universities including the 23 CSU campuses. There has to be communication from the CO level, and asked if there is a university-level capital planning group to help with projections, as there's funding for capital projects but the colleges have to pay for remodels out-of-pocket. For example, the MPA at the downtown campus; asked what percentage of the campus they're responsible for. Asked how the university might support HSS with some moving costs when all the chargebacks start coming in, so there are no surprises.
- **Michael Scott** noted all IDC rates are worked through the college faculty, Deans and Chairs, as every proposal is signed by them. IDC rates vary dramatically across the portfolio. Spreadsheets are provided to the CBO's at the colleges, and its up to the Deans to determine how the money is distributed.
- **Jason Porth** addressing capital projects, shared that his team looks at the needs for capital improvements, new buildings, as well as renovation of existing facilities. Unlike the university budget process, they rely heavily on funds from the CSU as part of the state budget process to fund new buildings, address deferred maintenance, as well as infrastructure improvement projects. Allocations such as those for the new science building are covered almost exclusively from CSU funds. It's rare to receive new building funds – that project has waited many years and SF State finally made it to the top of that CSU list. A significant portion of the building funding remainder was picked up by the College of Extended Learning; something the campus had no control over other than to ask. Those funds are separate and distinct from the university budget process.

- Explained that each year, CSU requests funds for all 23-campus deferred maintenance and infrastructure improvement projects. On this campus, UE works closely with the CFO's office and Facilities to plan how funds received can be best spent. A list of priority projects is developed based on health and safety, and addressing updates to buildings deemed necessary to keep the campus compliant with current codes and needs.
- Different than the recharge process, they try to address the needs of the units/colleges as best they can with the budget received, and a college/department might be asked to cover specifics beyond a planned project (ex: changing locks). The budgeting process around capital projects is unique than that discussed at UBC, but might be something worth looking at for a future meeting date.
- **Jennifer Summit** addressed the last part of the question about chargeback assessment/analysis and the need for transparency, as a budget transparency issue.
- **Jeff Wilson** agreed these topics should be brought to the Steering Committee about how to do that, whether as part of a UBC meeting or a workshop.
- **UBC Staff** voiced a question received anonymously about possible availability of funds, separate from HEERF, to compensate staff who took on additional work due to the layoffs - in particular, AOCs.
- **Ingrid Williams** clarified that staff cannot be compensated using HEERF funds unless the work is directly related to COVID and the pay must be in accordance with the collective bargaining agreements. If staff performed work related to COVID, HR would review the actual work and responsibilities related to COVID to determine if HEERF funds could be used. In response to the question about the connection of layoffs to COVID-19, staff were laid off as a result of budget and low enrollment, not necessarily related to COVID-19. It has to be clearly related to COVID-19.
- **Genie Stowers** asked Jason Porth about his mention of $30K set aside to assist with the downtown campus moving expenses, and which units would be helped with those funds.
- **Jason Porth** replied the moves are currently underway; rent is not being paid at the current location due to the move process, and rent at the new location does not begin to accrue until January. Costs associated with the move will be ongoing, and self-support units will have to cover those costs themselves. UE carryforward funds were set aside for the non-self-support units to help cover their costs. They also recognized some savings, as furniture that will come back to the main campus will be repurposed for classrooms (the new downtown campus is fully furnished from the current tenant, UC Berkeley).

Co-Chairs adjourned the meeting approximately 12:00 PM

- Next meeting: October 28, 2021, 10:00AM – 12:00PM

/nr-g

NOTED COMMENTS AND LINKS FROM THE CHAT:

00:19:32	Jennifer Summit: Hi, everyone!	
00:19:54	Member, Mary Menees:Good morning!	
00:20:18	Member, Michael Goldman: Good morning, folks!!	
00:22:21	Member, Jamil Sheared: good morning all	
00:22:32	Member, Joshua Ochoa (he/him): Moooorning!	
00:27:15	Member, Michael Goldman: Move approval!	

00:28:52   Member, Darlene Yee-Melichar: Thanks to our UBC Steering Committee colleagues for their leadership!

00:34:06   Member, Teddy Albiniak (he/him/his): Strategic Planning Committee nomination link: https://sfsu.co1.qualtrics.com/jfe/form/SV_cucKWHjefQO9sr4

00:37:36   Luis De Paz Fernandez (He/His): You can RSVP to attend the campus forum virtually here: https://sfsu.zoom.us/webinar/register/WN_U7QjcFdyS7C67lgWdr3t0g

00:37:52   Member, Teddy Albiniak (he/him/his):   Thank you Luis!

01:03:28   Chanda Jensen: I agree Dylan! There is some mystery around chargebacks. The accounting services fee is one of those.

01:03:41   Member, Jennifer Daly: I agree with everything Dylan is saying

01:05:31   Mari Hulick (she/her): @Jeff - one of the big issues is general facilities. We have a very public hallway and very public bathrooms as well as our studios and shops. But when we ask for general upkeep, even of the public hallway, we are told Design has to pay for this. Can't general facilities be covered outside of departments?

01:06:34   Mari Hulick (she/her): @Jeff - I even believe facilities should be maintaining general rooms and labs. Not the departments.

01:08:33   Member, Teddy Albiniak (he/him/his):   R21-422 https://senate.sfsu.edu/resolution/resolution-transparency-recovery-and-allocation-indirect-cost

01:25:39   Member, Michael Goldman: Thank you!!

01:27:22   Nancy Ganner: confirming the vote to create the IDC workgroup - of the 16 voting members present, 15 voted to approve the group creation, and 1 abstention noted.

01:27:47   Member, Dylan Mooney: Workgroup please!

01:27:49   member Renee E Stephens: Thank you Nancy

01:28:31   Member, Jennifer Daly: It would help to have Facilities involved in any ongoing conversation

01:29:02   member Renee E Stephens: @Jennifer Daly yes Facilities should be present

01:31:09   Member, Dylan Mooney: There is some crossover between IDC & Chargebacks.

01:35:33   Member, Dylan Mooney: Don't forget about tomorrow's UBC Office Hours (10am via Zoom). Please bring your questions, comments, & concerns.

01:36:10   Edwin Critchlow, co-host: MS Visio software is good example of software licensing that is charged at the department level, because very few departments utilize it.

01:37:02   Nancy Ganner: email ubc@sfsu.edu to attend either the staff or faculty/MPP forum please (tomorrow 10am - 11am via Zoom)

01:37:12   Member, Genie Stowers (she/her): wow, we have Visio? I would love to use that! How to let other people know about software that might exist at a department level but others might be interested in?

01:37:28   Nancy Ganner: sorry - the UBC Office Hour tomorrow...

01:38:16   Ruth Cortez: I am having (audio) problems

01:38:44   Ruth Cortez: but my question is if we can start workshops with IDC and chargeback items to get more clear picture

01:42:33   Edwin Critchlow, co-host: @Prof Stowers. Contact ITS at service@sfsu.edu regarding purchasing Visio for your use.

01:42:40   Michael Scott: ORSP gives VERY detailed spreadsheets to the colleges listing every single grant in the college and how much money it generated in IDC and how much money every PI spent. Grant awards have IDC rates anywhere from 0% to 55%. The rate is determined by the funder.

01:42:52   Member, Dylan Mooney: Ruth has a good idea about comparing our processes to other campuses.

01:43:06   Member, Genie Stowers (she/her): Thanks, Ed. Appreciate that. Dylan told me it is an individual license…

01:46:13   Michael Scott: Here's an example of an IDC spreadsheet sent to HSS outlining the accounting.

01:47:51   Edwin Critchlow, co-host: Thank you, Michael Scott, for the spreadsheet of IDC data

01:49:40   Ruth Cortez: thank you!

01:52:26   Member, Dylan Mooney: Weren't the layoffs related to COVID?

01:53:04   Member, Dylan Mooney: Thanks.

01:56:01   Nancy Ganner: if anyone has remaining questions, email ubc@sfsu.edu

01:56:16   Member, Joshua Ochoa (he/him): thank you for the discussion!

01:57:05   Member, Michael Goldman: Thanks to all!!