



University Budget Committee Meeting Minutes

Date: Thursday, September 24, 2020
Location: via Zoom

Members Present: Interim VP & CFO Jeff Wilson, Co-Chair and Provost & VP Jennifer Summit, Co-Chair. Interim VP Beth Hellwig, VP Jeff Jackanicz, VP Jason Porth, Dean Amy Sueyoshi, Senate Chair Teddy Albiniak, Ian Dunham, Andrew Ichimura, Mary Menees, Kathleen Mortier, Gitanjali Shahani, Jerry Shapiro, Genie Stowers, Dwayne Banks, Maria Martinez, Elena Stoian, Sutee Sujitparapitaya, Associate Students President Andrew Carrillo, Michael Goldman, Darlene Yee-Melichar.
Non-voting members: President Lynn Mahoney, Elena Stoian, Dwayne Banks, Maria Martinez, Cesar Mozo, Mirel Tikkanen, Venesia Thompson-Ramsey, Tammie Ridgell, Jamil Sheared, Sandee Noda, Jaime Haymond, Deborah Elia, Kay Gamo

Absent: AS VP of Finance Rashid Abdul Rahiman, James Martel, Lark Winner

Guests Present via Zoom: Ingrid Williams, Associate Vice President of Human Resources
Carter Pauline Roa, AS rep and designee for AS VP of Finance
Julietta Hua for CFA rep James Martel

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

Accompanying presentation for this meeting can be found here: [UBC Presentation 9.24.20](#)

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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**

- **Jeff Wilson** and **Jennifer Summit** welcomed members and guests.

**Agenda topic # 2 – Approval of Minutes from August 27<sup>th</sup>, 2020 meeting**

- **Jeff Wilson** requested approval of the meeting minutes.
- Voting members motioned to approve; seconded and passed.

**Agenda topic #3 – Opening Remarks by President Mahoney**

- **President Mahoney** thanked the 140+ in attendance and noted the functions of the UBC as budget advisory and as a public forum for campus on budget matters. Appreciated the representation of staff, students and faculty at the recent CSU Board of Trustees meeting during public comment, and the hard work ahead for all as the campus navigates this difficult time.

**Agenda topic # 4 – 2020-2021 Budget and Cares Act Status**

(see slides 2-24)

- **Jeff Wilson** reviewed four parts of the presentation:
  - 1) SF State general operating fund budget

- a. Showed SF State's Operating General Fund Budget is \$368M, updated to reflect an optimistic enrollment forecast, less expenses \$384.8M, which still leaves a \$16.8M deficit.
- b. Showed total adjustments already taken to balance the deficit of \$21.1M, and the remaining \$16.8M deficit will be covered with \$7.7M of campus reserves (approx. 1/3 of the reserves) and the rest from workforce reductions.
- c. Noted the CO's \$1.7B "rainy day fund" terminology used recently includes SF State's \$22M reserves, which is the only portion available to this campus to address its deficit. Some campuses have more, some have less.
- d. Budget remains a "working" budget since it will take time to account for workforce reductions and possible reassignments of staff to cover vacant positions.
- e. The use of reserves will happen (be recorded) at the end of the budget period (June 30, 2021).

2) Next steps

- a. The budget will need to be recorded to reflect performance against the working budget, including all actions taken with all workforce reductions in a revised, consolidated budget. This is the 3<sup>rd</sup> month of the fiscal year, and it will take a few months to review.
- b. A budget summary report will be published and then reviews conducted (monitoring forecasted vs. actuals) throughout the year.

3) Looking forward

- a. Preparing the next 2021-2022 budget at this same time. Planning begins soon, beginning with enrollment scenarios to develop a basis, anticipated tuition and fees revenues and state funding expectations. The Budget office uses those factors to provide multiple planning scenarios for review and analysis, which will be presented to this committee.
- b. Governor Newsom will issue a State budget proposal on January 10<sup>th</sup> for all State agencies, including Higher Ed. However, the UC's and CSU's have already been advised by the Dept. of Finance to plan for budget decreases.
- c. The campus has to settle on a final scenario in February to begin July 2021 to begin the year.
- d. Last slide shows a speculative projection of what's been done to date with the working budget, and where future planning must align cost structures with available resources to address future deficits.

- **Darlene Yee-Melichar** asked about a statement Chancellor White made last week where he indicated there may be good news, as July tax revenues were up, and might a 5% decrease be any less if Higher Ed receives more than projected.
- **Jeff Wilson** responded he had heard that also but everything is very unpredictable right now.
- **Sandee Noda** asked about the slide which showed "Savings from vacant positions, salaries and benefits, as a result of the hiring chill = \$14.3M) – how much was staff and how much was MPPs.
- **Jeff Wilson** responded he would get back to her soon with a response.
- **Kathleen Mortier** asked re: \$9.1M in savings from workforce reductions and if that included the 30 grant-funded staff, and how that would result in savings for the General Fund, as their salaries and benefits come from project funds.
- **Jeff Wilson** responded it does not include savings from grant-funded positions, and deferred to Ingrid Williams and the layoff process she would present later. As listed, those positions do not provide a direct relief to the General Fund.

- 4) CARES funding update
  - a. Defined what the Cares Act is.
  - b. Funding was provided to campus in three phases; students, institutional support and additional institutional support specifically for SF State's status as an MSI.
  - c. First phase was distributed to students directly as grants, Second phase was allocated to student housing, faculty professional development, student and faculty technology and also for campus health & safety costs. The Third phase includes funding for student counselors and some remaining unallocated costs for planning Spring, and will come to this committee for review.
  - d. Noted deadlines for spending the funds, and repeated these are one-time funds, and use is restricted to those specific purposes directly related to the COVID-19 pandemic.
  - e. All expenses will be reviewed by internal and external parties to insure they were used according to their guidelines.
- **Andrew Harris** asked about funds for faculty technology needs, as it was funded based on one remote semester, but now has to last through two remote semesters, and wondered how much was left. Some faculty have different technology needs for their Spring instruction.
- **Jeff Wilson** replied that acknowledging only what has been recorded to date, being unaware of other financial commitments that may have been made by others, about half of the funds have been spent already. Understands some funds will be available for Spring and suggested discussion with Academic Technology about those needs.
- **Gitanjali Shahani** remarked that the largest amount of funds next to direct student support was for the housing program and wondered why that was given such priority, considering there are few students in housing now and there are so many other critical needs for funding.
- **Jeff Wilson** replied that between Spring 2020 refunds and the small amount of student revenue from very small Fall and Spring resident students, it nearly bankrupted the housing program, which has fixed costs including over \$6M of debt service. This allows for keeping the program running for when students return for face-to-face instruction.
- **Sandee Noda** asked if there are funds for faculty professional development, why there are no funds set aside or staff professional development.
- **Jeff Wilson** explained that was due to the specifications to support remote instruction as a consequence of the pandemic.
- **Teddy Albinak** followed Gitanjali's comment and requested a report from housing about the numbers mentioned, as that would be relevant and important for the community to review.

#### **Agenda topic # 5 – Human Resources: Workforce Reductions**

- **Ingrid Williams** explained a general timeline and other events:
- Sept. 8 – affected employees notified by email from her and by certified mail (and apologized she could not call each of those employees personally). Each union was notified at the same time, with names and classifications of affected employees. Emails were also sent to certain employees on campus, those in CSUEU and Teamsters who may have the possibility of doing voluntary time-based reductions, which are part of the CBA requirements and are a reduction in the worktime performed by those employees. It may

also reduce employee compensation and benefits. She has asked those employees that received those notices to email her directly with their intent to participate in a voluntary time-based reduction, as it needs to be discussed at their union's Meet & Confer. Approval also depends on their work responsibilities and required level of service for their position. It's not automatic, and it's not something a manager is able to do for an employee.

- Oct. 6 - Meet & Confer scheduled for Teamsters. More dates may be added.
- Oct. 8 – Meet & Confer scheduled for CSUEU. More dates may be added.
- Nov. 9 - Layoffs effective for CSUEU, based on 60 day notice
- Nov. 23 – Layoffs effective for Teamsters, based on 60 day notice
- MPP non-retention notices have been sent, and there may be a few more.
- For represented staff, the process itself is complicated.
- Those classifications identified for layoff had positions with transferable skills to be evaluated, or were classifications that are the most numerous on campus, and make up a significant part of the budget.
- APC union positions were not identified for layoff notice at this time due to GI25, with the consideration those positions are crucial to increasing enrollment and counterproductive to enrollment management strategy.
- Grant-funded positions were included in layoff notices because even though their salaries and benefits are not funded by the General Fund, they are of the same classification that are the most numerous on campus. This is part of the discussion at the upcoming Meet & Confers with the unions. There may be specialized skills involved with some of those positions and that will also be discussed.
- Layoff classifications are based on CBA language. Temporary positions are considered first, then probationary. Next, permanent positions, based on seniority points which generally accrue at one point per month. However in some cases, other complications are considered, such as someone who may have had other employment on campus without breaks in service, and those points might be counted as well. Some may have 'retreat rights', and I am in the process of reviewing those with the unions.
- **Amy Sueyoshi** asked about voluntary time-based reductions, and what the advantage it may have for an employee, and if that would reduce layoffs in the future.
- **Ingrid Williams** responded it could mean less layoffs, maybe now, and in the future, and it doesn't mean the employee may not be ultimately laid off. With the number of layoffs needed as a result of the budget deficit, campus leadership has to determine managing the work needed given staff reductions in some areas. This will be discussed at the Meet & Confers.
- **Andrew Carrillo** asked what the university doing to proactively limit layoffs, and might this happen again in the Spring.
- **Ingrid Williams** responded that VP Wilson spoke of ways the university is trying to mitigate the impact of the budget deficit, such as the hiring chill for vacancies. There may be some temporary positions available for qualified employees who received a layoff notice, and they might be able to move into those positions, which would be posted internally first. Further explained that depending on the amount of people that accept voluntary time-based reductions and departments' ability to get the necessary work done, then layoffs down the road may be reduced. Additionally, stated that some employees have reached out to her who are considering retiring, to potentially save some employee positions. They must be eligible to retire, and the university is also considering an early exit program.

- **Jeff Wilson** concluded that other layoff mitigation efforts include reviewing all costs that are contributing to the deficit, and aligning them with current resources. Employees including staff, MPPs and faculty, account for 90% of the general operating fund, so that had to be considered.
- **Kathleen Mortier** asked what the university position will be at the Meet & Confers as related to grant-funded staff, and if they'll ask them to be rescinded.
- **Ingrid Williams** responded although she could not comment on the university's position on particular discussions, such as grant-funded employees, she stated that all positions are important. Some grant-funded positions may require specialized skills, and this is part of the Meet & Confers.
- **Jennifer Summit** spoke to the grant-funded employees and emphasized this is a work in progress, as they move towards Meet & Confers. Appreciated Ingrid's efforts to clarify a very difficult process and, also to take the concerns she hears into those meetings. Spoke to mitigation efforts of future reductions, whether staff or MPP non-retentions (which are a different process and timeline): layoffs are a last resort, and as VP Wilson noted, the largest part of the budget is tied in employee salary, and it limits the university's options. Added there's a lot of work happening to identify other areas for potential budget savings, with consideration given to how to deliver the curriculum in a more effective way, streamlining processes so that they require less work, and simplify and reorganize administrative work to do the work needed but with fewer MPPs or administrators. Summarized that everything has to be on the table, in order to mitigate layoffs as much as possible.
- **Ingrid Williams** added that it's hard to talk specifically about layoffs while in the middle of the process. Reiterated the university is taking steps to think creatively about what processes are no longer needed, which need to be done differently, what's working and what's not, and possibly compensating employees who will have to do more work. It will take everyone working together to find and align redundancies and other similar solutions over the next few months, to get to next steps to avoid future layoffs. Stressed that layoffs would not be happening if the budget issue was not so critical.
- **Jerry Shapiro** asked if consideration had been taken for grant contracts and how a reduction in staff may affect their due diligence and perhaps, the appeal of the university seeking those grants. The consequences can cause potential losses. Asked if ORSP can show much is being generated with grants and what may be lost if the contract provisions are not upheld, and how that compares to any salary savings from layoffs. Repeated Sandee Noda's question about specific staff and MPP numbers, and commented how receiving this kind of data may help the UBC make strategic decisions, and possibly, provide an opportunity to extend some layoff notices to give time to factor in all suggestions presented.
- **Jennifer Summit** responded to the request for grant data and referred to not only the direct costs the grants cover, but also indirect costs it covers for the institution to do the research. Research isn't done to generate a profit; it's to do the research. It's not a profit and loss solution; research is its own good.
- **Jerry Shapiro** countered that some grants cover faculty salaries, and if those grant opportunities are lost, the university will have to cover the cost of those teaching positions as well. Suggested an opportunity to review grants which include teaching positions and see how to strategically weigh options to proceed.
- **Jennifer Summit** replied that a good place to have this discussion is at the IDC workgroup.
- **Mary Menees** asked Ingrid for the number of MPP reductions and the timeline.
- **Ingrid Williams** responded that 12 – 15 positions will not be retained, and all but two have been notified. Based on MPP guidelines and depending on the day they were notified, they have a 3-month notice period.

- **Kay Gamo** asked if voluntary time-based reductions would mitigate layoffs for this fiscal year, or the future, and, if furloughs are not possible, for employees that were not notified of layoffs, if they have the option to do a voluntary time-based reduction also to mitigate layoffs.
- **Ingrid Williams** responded those notices went to everyone in the unions impacted. Any interested employees will be reviewed to see if it's even a possibility based on certain factors, then a discussion is had at Cabinet whether the numbers will even help. Next step would be a discussion at the Meet & Confer.
- **Michael Goldman** commented that some grant-funded positions who have been laid off have been here for a long time but are still considered temporary. Over the last few budget crises, "bumping rights" were used, and requested clarification of the term and if it might be used in this instance.
- **Ingrid Williams** recognized the longevity of many of the grant-funded positions and their status is temporary, simply due to the nature of grants. "Bumping rights" are based on seniority, seniority points, and whether an employee could "bump" someone out of a current position in a different classification, whether lower or higher, and consideration of those related positions as well. Some employees have retreat rights back to a permanent position in a different classification if there is no break in service, so they have to go back and research each history. Reported that a number of employees have requested information about their seniority points and she is asking employees to follow up with their unions.

#### **Agenda topic # 6 – UBC Charge Revision Workgroup Update**

- **Jennifer Summit** presented recommended changes from the UBC Charge workgroup (Mary Menees, Teddy Albinak, Jason Porth and Jerry Shapiro) to the current UBC Charge, beginning with three questions she posed at the last meeting:
  - 1) Should the UBC have a Steering Committee, to meet more frequently to help guide agenda topics and meet with the co-chairs and President at a pace synchronized with the most urgent issues the university is experiencing?
  - 2) Adding more staff representative members to the UBC; how many, and how?
  - 3) If the President cannot attend a UBC meeting, and as the UBC serves as advisory to her, how best to capture the discussions in order to represent an accurate reflection of them?
- Steering Committee members will be elected by the UBC voting members, and will be responsible for several items as listed. Some processes have been left in the Charge as provisional for now, with the expectation the Steering Committee will take up those issues.
- UBC will have five Staff member representatives, same as faculty. Nominations will be broadly solicited from the campus community then forwarded to the Steering Committee to establish a pool of candidates to present to the President, who makes the final selection.
- Recording of the Zoom meetings will be shared with the President.
- Other recommendations from the Charge group included extending the public forum time, enabling time for responses when possible. Next steps for further revisions to the UBC Charge by the Steering Committee include defining processes for discussions, soliciting feedback, decisions and advising the President. The Steering Committee will work with the UBC workgroups, including the Outreach & Communication and Budget Literacy workgroups to share the work and goals of the UBC with the campus community.
- **Genie Stowers** asked about the process of the President receiving advice from the UBC and noted that even if she is present or it's recorded, members are often asked directly for input, but discussions end with no clear decision or input provided to her. Suggested when such a recommendation is needed, there be something like an asterisk on the agenda noting "Presidential input sought" and at the meeting, co-chairs confirm the final

recommendation with a motion to be recorded as official input from the UBC. The process now is too vague and will not be solved with simply a recording of discussions.

- **Jennifer Summit** responded that might fall to the Steering Committee as they will set not only the agenda and provide follow up, but also manage the decision-making processes that takes place at the UBC.
- **Genie Stowers** agreed but thought there might be a direct process of simply highlighting when the President seeks input and then make a decision, in order to deliver a recommendation. Similar to a business item on any other committee.
- **Jennifer Summit** replied that the workgroup took up the issue of clarifying when feedback is solicited in order to form a decision, and when a decision is being made, then its follow up. Invited workgroup members to comment.
- **Teddy Albinia** agreed with Provost Summit that a more clearly identified agenda indicating the questions and discussion would guide this process.
- **Genie Stowers** proposed that until a process is defined, the co-chairs might highlight when input is needed, and ensure discussions culminate in recorded decisions and recommendations as requested.
- **Kathleen Mortier** asked if the workgroup discussed the processes of voting member meeting absence, with a designee. Additionally, supports the additional staff member representatives but wondered, as faculty who is not involved in department or college budgets herself and sometimes finds it difficult to consider items discussed in meetings, what the criteria might be for selecting staff who would be similarly be unable to participate in discussions. It might be helpful for them to have some budget experience.
- **Jennifer Summit** replied that designees were discussed and members cannot send a substitute to a meeting as a voting proxy, as opposed to the example of the AS VP of Finance who cannot attend for the entire semester due to class schedule conflict. Regarding staff member budget knowledge, there is no separate criteria, as its valuable to have members who are not directly involved in budget because they help with understanding when UBC communications are not sufficiently clear. Its one of the goals to appoint members who represent the broad campus diversity.
- **Sandee Noda** requested clarity on the nomination process for new staff members.
- **Jennifer Summit** responded staff nominations will be broadly solicited through CampusMemo, union leadership and the Academic Senate, then those nominations will be forwarded to the Steering Committee, charged with creating a pool of candidates to forward to the President, with a focus on representing campus diversity.
- **Genie Stowers** motioned adoption of the recommendations of the workgroup. Motion was seconded and passed by voting members.

#### **Agenda topic # 6 – UBC Research & Service Organization Workgroup Update**

- **Genie Stowers** introduced her workgroup members: Gitanjali Shahani, Ian Dunham, Andrew Carrillo and Sylvia Piao, with Michael Scott as a consultant. Workgroup just began its work reviewing other CSU RSO policies and those at SF State, along with the subsidies each receives, their endowments, grants received, etc. Given the concern for fairness with a very short timeline to make meaningful recommendations by end of November to the UBC about cost savings, they asked each RSO to make short presentations to the group along with a handout about their mission, the value they bring to the university, overview of their fiscal situation and, if they had to cut their budget, what they might recommend.
- **Jennifer Summit** and Teddy Albinia thanked the workgroup for their hard, but very important work.

## Agenda topic #7 - Open Forum

- **Jeff Wilson** opened the public forum inviting speakers to limit their time to one question to allow everyone the opportunity to speak.
- **John Cleary** stated the Academic Affairs website and emails from the President reference social justice, but alleged an imbalance between staff and MPP hiring over the last few years and the current layoffs. Suggested there may be a loophole for the way grant-funded positions are categorized as compared to the others, as it's different from other campuses. Stated he has been through a campus furlough and doesn't understand why it isn't offered this time, with the risk of those employees losing their healthcare during a pandemic, and which seems the opposite of social justice. Asked for this group to make a statement to the CO to bring attention to this issue, more than he felt staff can do, and to demand furloughs.
- **President Mahoney** reiterated she was grateful for those who spoke at the BOT meeting defending SF State employees. Remarked that funding issues are permanent problems, and the university student body is smaller than it was during the furloughs a decade ago, especially among international and graduate students. Will ask Tom Enders to present the enrollment decline since that time at a future meeting. Some CSUs have more or less funding than SF State does (due to tuition) but all suffer from decreasing State funding. To date, SF State funding has not been aligned with the CO enrollment targets given, as had that been the case, more severe funding cuts would have been expected. Repeated appreciation for those who spoke at the BOT and acknowledged the enormous implications layoffs are causing, and hoped there would also be advocacy for minimizing future State funding cuts. If there are future cuts, then asked all to advocate for systemwide mitigation efforts, such as furloughs, which were not an option this year.
- **Barbara Eaton** asked Jeff Wilson for clarification of the math with regards to the "rainy day" figures. Noted CSU systemwide there are 333 staff layoffs, and SF State is 1/3 of that. Also noted at the BOT meeting that MPPs layoffs systemwide was 99, of which SF State has 15, which is 1/7. Suggested an increase in MPP layoffs.
- **Jeff Wilson** responded that the \$1.7B in reserves is across all campuses, and some have significantly more, some less.
- **Danny Paz Gabriner** asked if there was any insight as to the hiring chill and how that might progress with a potential balancing of the budget for this year, and what to do if critical positions remain vacant.
- **Jeff Wilson** responded the hiring chill will stay in effect until the budget predicaments are solved. It does not mean that critical, essential positions will not be filled, but those, and others that may become vacant in the future, may be filled using caution as the campus faces future funding concerns.
- **Jennifer Summit** reiterated earlier comments that there are alternatives to hiring new people when there's a possibility of reorganizing work. Next steps will be to evaluate the work, to see how it might be achieved with less people. With regards to MPP non-retentions, those are taking place in a different timeline with a strong possibility those will continue through the year, once work can be reorganized and restructured, to minimize impact (to the university's mission).
- **Senem Evrim Ozer** commented that layoffs are a burden for many colleagues and implored for other options to be available that do not diminish service to our current and incoming students.
- **Jeff Wilson** responded the university worked all Spring and Summer to avoid staff workforce reductions and MPP non-retentions, but ultimately, the combination of reduced State allocation and decline in tuition revenue required the university to reduce its cost structure. With Staff, MPP and Faculty salaries accounting for 90% of the budget, layoffs were necessary to address the funding gaps.



- **Elizabeth Post Musgrove** stated that as alumna and staff for 13+ years, when during the 2009 furloughs was asked to take a full time position without additional compensation due to a resignation and the hiring freeze, spoke to the work that needs to be done with less staff, after the layoffs are fully implemented. Changing work is always welcome and necessary, as the university is antiquated in many processes, however changes are not quick nor easy. The university administration should look to remaining staff and leadership for suggestions on what changes can be made to help with staff workloads while ensuring students are not affected, at the risk of losing even more students when they cannot receive necessary assistance for overwhelmed staff members.
- **Kay Gamo** as the Unit 1 Steward and a primary care physician at SHS, asked about staff losing their health insurance during a pandemic. To avoid layoffs, suggested soliciting voluntary time-based reductions and retirements from *all* staff, faculty and MPPs, including those that were not sent the letter from HR. If not solicited, they may not offer, but if asked, it may help save some jobs.
- **President Mahoney** responded that all options will be considered and reminded everyone that even with a balanced budget this year, its very fragile, and the university still has millions covered with only one-time funding, so everything will be considered and everyone will be asked to work together to avoid being in the same place next year.
- **Gaelan Spor** commented that the School of Art is incurring additional costs to mail supplies to students learning from home, which exceed their \$75 instructional fees since it was not anticipated, and asked if Cares Act funding might be available to support their department.
- **Jeff Wilson** responded he will review that.
- **Genie Stowers** asked the co-chairs how the Steering Committee will be elected.
- **Jennifer Summit** responded the revised Charge needs to be approved by the President to bring on the Steering Committee, then, will discuss with the co-chair the steps to send a nomination and ballot to UBC members before the next meeting.
- **Jeff Wilson** noted the next meeting on October 22<sup>nd</sup> which will include an enrollment update.
- **Jennifer Summit** thanked everyone for their participation, and adjourned the meeting.

**Meeting adjourned approximately 12:00pm.**

- Next meeting: Thursday, October 22, 2020, 10:00am – 12:00pm

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