

UNIVERSITY BUDGET COMMITTEE

May 16, 2011

Final Minutes

Members present:

Cynthia Ashton
Sudip Chattopadhyay
Maxine Chernoff
Robert Corrigan
Harvey (Skip) Davis
Nancy Hayes
Andrew Ichimura
Leroy Morishita
Robert Nava
Sue Rosser
Penny Saffold
Jerald Shapiro
Genie Stowers
Shawn Whalen

Members absent:

Betty Lam

1. Call to Order

A quorum was reached and President Corrigan called the meeting to order at 10:00am.

2. Comment Period

No one signed up for the Comment Period.

3. Approval of the Minutes from the January 14, 2011 UBC Meeting

The January 14, 2011 UBC minutes were approved, no changes were requested.

4. Announcements

President Corrigan made the following announcements.

He congratulated Dr. Morishita on his recent appointment as Interim President at CSU East Bay beginning July 1, 2011. The President thanked him for his contributions over the years on behalf of SFSU and specifically on the University Budget Committee. He also congratulated Nancy Hayes, Dean of the College of Business who will be stepping in as Interim Vice President and CFO beginning July 1st until the search for a permanent replacement is completed. He stated that the national search would begin as soon as possible and he hoped to have a permanent replacement by early to mid-2012. He also mentioned that he expects Dr. Morishita will assist in the ongoing discussions to identify and implement potential regional cost savings opportunities between the campuses of SFSU, CSUEB and even the CA Maritime Academy in Vallejo.

President Corrigan mentioned that Governor Brown would be presenting a budget update via simulcast at 11:00am today and that the UBC would be tuning into it at that time.

5. Enrollment and Budget Update

Dr. Morishita provided the Enrollment and Budget update. He began by thanking Jo Volkert and Ann Hallum for their continued great work with enrollments.

Next he distributed the following handouts for the committee's information:

- 1) Coded Memo B 2011-01, dated April 14, 2011, w/ Attachments A-G
- 2) The LAO's Review of Budget Reduction Options for Higher Education, dated April 14, 2011

Dr. Morishita stated that in '08-'09 we were at 23,738 resident FTEs and 300 over target, in '09-'10 at 23,289 resident FTEs we were 127 below target, and in '10-'11 at 20,879 FTEs we are almost 11% below target of prior years. The target increase of 22,044 was due to an increase in funding from the C.O. that allowed us to open up spring admissions and realize 22,607 FTEs. San Diego and San Luis Obispo got almost nothing by opening in spring. For fall and spring we anticipate reaching 22,800 FTEs which is approximately 750 more than this year. We expect 3,500 each of new transfers and new first time freshmen. An increase in fees may bring this number down. Including spring enrollments brings these numbers to 60% transfers and 40% new first time freshmen. Otherwise with only fall enrollments it would stay at 50/50%. The strong partnership between Enrollment Services, Academic Affairs, and Administration & Finance has been extremely beneficial for us.

The governor has proposed a \$500M reduction for the CSU system. Additionally there is concern about further cuts if the proposed tax extensions do not make it on the ballot or if they are voted down. These issues may get pushed to the November ballot. The idea of closing campuses for 2 months per year for cost savings was suggested but is by no means a done deal.

Last year was the first time ever that our tuition fee revenue was higher than our general fund allocation. In general, a large part time student population will generate more fees than a smaller full time student population and certain campuses such as CSU Fullerton were hit terribly hard by this. Likewise, we suffer substantially more than most campuses from non-resident tuition reductions.

Our emergency fund for next year is currently \$1.5M, up from \$1.2M. Approximately 5 years ago the State stopped funding health benefits costs, which average 40% for all our employees. The President of CSU Long Beach conducted a study which revealed that other public campuses spend approximately twice what we spend per student. Although we all want to be an efficient institution, this direction is not necessarily good. Additionally, smaller campuses have a harder time coping with such austerity as they have less flexibility to deal with the cuts.

The meeting was opened to questions/observations from the committee. The issue of system wide program redundancy was raised. It was suggested that we consider system wide centers, not unlike the Kaiser model that would foster inter-campus programmatic collaboration. The committee then tuned in to Governor Brown's budget presentation.

6. Adjournment

The meeting was adjourned at 11:25am.

Respectfully submitted,

Catherine Dunham
Administrative Assistant to the Interim Vice President & CFO
Administration & Finance

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