

UNIVERSITY BUDGET COMMITTEE
November 15, 2012
Final Minutes

Members present:

Robert Keith Collins
Harvey "Skip" Davis
Lawrence Hanley
Nancy Hayes
Andrew Ichimura
Marty Linder
Robert Nava
Sue Rosser
Jerald Shapiro
Genie Stowers
Don Taylor
Jo Volkert
Les Wong

Members absent:

Adenike Hamilton
Ramon Castellblanch

Call to Order

A quorum was reached and President Wong and Nancy Hayes called the meeting to order at approximately 9:35 am

Comment Period

Russell Kilday Hicks, staff member from Capital Planning Design and Construction, and CSEA VP addressed the committee. He encouraged the committee to review and consider the findings from the CSU/CSUEU Labor/Management Committee on Long-Term Compensation Strategy Draft Final Report and Recommendations, dated June 23, 2010. Russell provided a hard copy of the document subsequent to the meeting which was distributed electronically to committee members on 12/14/2012.

Approval of the Minutes from the September 27, 2012 UBC Meeting

The minutes of the September 27, 2012 UBC meeting were approved, no changes were requested.

Budget Update

Franz Lozano, Budget Officer, reviewed and highlighted the current CSU and SF State budget and provided a PowerPoint presentation.

Franz stated that the CALPERS pension reform will take effect January 1, 2013. One of the biggest changes is that all new employees hired from January 1, 2013 on will have to contribute 50% of their retirement costs.

With the passing of Prop 30, taxes will be increased on higher income taxpayers for seven years and the state sales tax will be increased by ¼ cent for four years. The governor's "trigger" reductions of \$6 billion will not go into effect. This means that the CSU avoids a \$250 million "trigger" cut, thereby maintaining its FY 2012-2013 budget at \$2.01 billion. SF State's general fund budget will also remain

flat at \$104.6 million and 22,800 FTES for 2012-2013. SF State's 2012-2013 tuition fee revenue (including the post-election fall 2012 tuition fee increase rollback of \$8.5M and SUG reduction of \$4.5M) is estimated at \$148.7 million. SF State's 2012-2013 operating budget of \$295.5 million in revenues, and \$301.9 million in expenditures leaves it with a total projected structural deficit of \$6.4 million (as opposed to \$15.3 million had Prop 30 failed).

President Wong mentioned that Prop 30 has bought the university time to develop important new revenue streams to address the structural deficits of the past 3+ years.

Agnes Wong Nickerson explained that as a result of Prop 30 being approved by the voters, the CSU will implement the tuition fee adjustment plan as previously approved by the Chancellor's Office. The CSU will roll back tuition fees to 2011-2012 levels, retroactive to the fall 2012 term. Fulltime SF State students will receive a refund of approximately \$249. All refunds will be made by December 14, 2012 (one-week prior to the CSU deadline). Fiscal Affairs has posted information about the refund process on the Bursar's Office webpage. So far they have received less than 50 inquiries about the refund process.

Enrollment Update

Jo Volkert spoke about the enrollment picture.

Fall 2012 enrollment numbers were up in all categories. New Students: Freshmen 3,807 (+7.6%), New Transfers 3,684 (+11.3%), Graduate Students 1,515 (+4.8%). Headcount: 30,500 (+3.2%); Resident FTE: 24,231 (+4.5%); Average Unit Load: 12.4 (up from 12.3).

For spring 2013, per the Chancellor's Office directive, admissions will be restricted to: transfer students; students and programs with prior institutional commitments; and Veterans. Additionally new student admits will be limited to approximately 400 (compared to 1,999 in spring 2012). We are projecting 23,169 annual resident FTE (+369 FTE over 22,800 target).

Applications for fall 2013 are being accepted October 1 – November 30, 2012. The number of applications received to date is ahead of last year (freshmen +1,000; transfers +1,600). The President's Cabinet will be discussing enrollment targets and plans for 2013/14.

SF State has about 1,500 international students currently, but our FTE target must be satisfied without the non-resident FTEs.

Misc.

A draft of the charge to the Online Course/Program Development Incentive Committee was distributed to UBC members for review. The committee will meet after the arrival on campus of Dr. Jose Galvan, the new AVP and Dean, College of Extended Learning (CEL).

Adjournment

The meeting was adjourned at 10:45am.

Respectfully submitted,

Catherine Dunham
Administrative Assistant to the VP & CFO
Administration & Finance