

UNIVERSITY BUDGET COMMITTEE

May 10, 2012

Final Minutes

Members present:

Maxine Chernoff
Robert Corrigan
Harvey "Skip" Davis
Andrew Gutierrez
Nancy Hayes
Andrew Ichimura
Martin Linder
Robert Nava
Sue Rosser
Penny Saffold
Jerald Shapiro
Genie Stowers
Don Taylor
Pamela Vaughn

Members absent:

Call to Order

A quorum was reached and President Corrigan called the meeting to order at 2:05pm.

Comment Period

No one signed up for the Comment Period.

Approval of the Minutes from the November 17, 2011 UBC Meeting

The February 2, 2012 UBC minutes were approved, no changes were requested.

Announcements

President Corrigan thanked UBC members Maxine Chernoff and Andrew Gutierrez, whose terms are expiring, for their service on the committee.

The President stated that given the extremely challenging budget situation here and elsewhere that he is aware that some people might be concerned about the economy's effect on jobs but that he does not expect any layoffs on our campus at this time.

The Board of Trustees has approved a 9% tuition increase effective fall 2012, but President Corrigan does not believe there will be any additional increases this academic year.

The President urged those in College's that have merged with other departments to continue their efforts toward Phase II of the campus reorganization. The university continues to work toward the goal of a 3 course teaching load as well as reducing or eliminating assigned time when it's not absolutely essential.

The November ballot outcome will determine further details.

On Friday, President Corrigan, Lisbet Sunshine and several students made a visit to the local legislative offices here in San Francisco for impassioned discussions with several legislators. The students spoke honestly and openly about the Student Voices project here at SF State and the very direct impact that dwindling public support for higher education has on their lives. They also spoke about the critical need to cultivate an educated workforce to revive and sustain the economy here in California and elsewhere. The President emphasized the importance of getting this message out.

Enrollment Update

Jo Volkert was unable to attend the meeting so John Kim provided the enrollment update.

The summary for 2011-12 included our targeted annual FTES at 22,800 (resident only). Actual annual FTES was 22,946. The difference between the target and actual numbers is that we were up by +146 which is approximately +.6%.

For fall 2012 we project 3,700 freshmen, up from 3,537 in fall 2011. New transfers are currently at 3,600, up from 3,268 last fall. Graduate student numbers are currently at 1,400, down 40 from last year's total. Our total head count is 30,108 up from 29,541 in fall 2011. Resident FTEs in fall 2012 are up to 23,677 compared to 23,187 in fall 2011. Annual resident FTEs were 22,866 up 66 FTE over target, or approximately +.3%.

Following a Chancellor's Office directive, admissions for spring 2012 will be restricted to the following three categories: transfer students completing AA and AS degrees; students and programs with prior institutional commitments; and veterans. We will have approximately 700 new students, compared to 1,999 in spring 2012. The number of new students admitted may be adjusted based on the outcome of the Governor's November ballot initiative. The numbers presented here are based on the assumption that the fall ballot initiative fails.

Budget Update

Vice President Hayes provided the budget update. She began by referring to the following handouts which were distributed electronically prior to the meeting:

1. Legislative Analyst Office: The 2012-13 Budget, Overview of the Governor's Budget
http://lao.ca.gov/reports/2012/bud/budget_overview/budget-overview-011112.pdf
2. Report on the Support Budget, Board of Trustees Finance Agenda Item 1, March 20, 2012
<http://calstate.edu/budget/fybudget/presentations-communications/documents/1112-presentation-budget-march.pdf>
3. California State University Outlines Options if Budget Cut by Additional \$200 Million
<http://blogs.calstate.edu/budgetcentral/?p=1729>
4. The California State University 2012-2013 Budget Fact Sheet: Gov. Brown's 2012-13 Funding Proposal
<http://www.calstate.edu/pa/BudgetCentral/Budget2012.pdf>
5. Campus Budget Plan for 2011-2012
<http://budget.sfsu.edu/campus-budget-plan>

Vice President Hayes reviewed slides from Budget Administration and Operations: UBC Update, May 2012 which included an overview of state and CSU budget issues for FY2012-13.

Since 1999-00 the financial burden of tuition, fees, and other support for students has shifted from 29% to 68%. State support has dropped from 71% to just 32%. Since 1996-97 as state funds per student (FTES) have declined from \$8,182 to \$3,869, tuition and fees per student (FTES) have increased from \$2,808 to \$6,763. Declining state support forces more reliance on student fees. In fact tuition and fees now surpass the state appropriation by approximately 12%.

The state budget deficit is projected to grow to \$15.7B per the Governor's May Revise. The May Revise proposes solutions of \$16.7B in expenditure cuts and revenues to balance the budget which includes a \$1B reserve. The May Revise budget assumes that the Governor's November 2012 tax ballot initiative passes (temporary tax increase on state's wealthiest taxpayer's and temporary increase in sales tax) that is projected to generate \$8.5B. After a Prop 98 minimum guarantee adjustment of \$2.9M it will provide a \$5.6B benefit to the general fund.

If the Governor's November 2012 tax ballot initiative does not pass, the budget proposes a backup plan by implementing a \$6.08B "Ballot Trigger Reduction". The CSU's share would be an additional \$250M cut. SF State's share is estimated to be an additional \$16.5M cut.

For 2012/2012 planning purposes we are including the \$250M reduction, and keeping spending flat.

Other approaches to addressing our portion of the budget reductions include: continued reorganization thru attrition and transfer; utilizing carryovers; sublease revenue; energy bond savings; fuel cell savings.

Adjournment

VP Hayes thanked President Corrigan for his many years of leadership and guidance on the University Budget Committee and presented him with a framed cover of the original Chancellor's Office "Orange Book" which was used for years (although not of late) for budget purposes.

The meeting was adjourned at 3:30pm.

Respectfully submitted,

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