

UNIVERSITY BUDGET COMMITTEE
December 13, 2013
Final Minutes

Members present:

Andrew Ichimura
Don Taylor
Franz Lozano
Janet Remolona-Blecha
Jo Volkert
Laurence Hanley
Les Wong
Martin Linder
Nathan Avani
Ramon Castellblanch
Robert Nava
Robert Keith Collins
Ronald Cortez
Sue Rosser

Members absent:

Adenike Hamilton
Harvey "Skip" Davis
Genie Stowers

Call to Order

A quorum was reached and Ronald S. Cortez called the meeting to order at approximately 10:00am as President Wong was delayed by a few minutes.

Announcements

Ronald S. Cortez, VP & CFO, welcomed everyone to the meeting. Committee members and guests introduced themselves. Mr. Cortez mentioned that his team has been working on ways to generate capital other than the general fund, and reduce debt. He wants to shift the focus from general fund to other sources of revenue.

Robert Nava mentioned the upcoming and comprehensive Capital Campaign for the university. Based on the results of internal assessments and feasibility studies they are aiming to raise an estimated \$200M within 5-7 years. They are currently involved in strategic planning sessions and leadership briefings which the President's Cabinet, Deans and others will participate. Our Advancement team currently raises approximately \$15M annually, or 15% of the state budget, but plans to increase that to match state funding levels. Anne Harris is developing a staffing plan to support this campaign goal. Briefings will be taking place with our top 40 donor prospects, as well as many other. Mr. Nava is looking forward to the March 28th Foundation

BOD Retreat where further capital campaign discussion and planning will take place. This process is similar to the university's Strategic Planning Campaign process currently underway. The university's mission and excellence of our academic programs is the driving force behind the campaign, and we need to share this message with audiences outside our current circles of knowledge.

Comment Period (3 minutes per speaker)

None.

Approval of the Minutes from the October 17, 2013 UBC Meeting

The draft minutes of the October 17, 2013 UBC meeting were approved, no changes were requested.

Enrollment Update

Jo Volkert, Interim VP, Student Affairs, provided the enrollment update.

Our enrollment target is of 23,351 FTE is 1.2% over our 2013-14 numbers. Our target for Fall 2014 is 30,363, a 1.5% increase (3,700 Freshmen; 3,894 New Transfers; 1,408 New Grad Students; 23,882 Resident FTE).

Our Spring 2015 projection of 28,472 FTE (100 Freshmen; 1,300 New Transfers; 250 New Graduate Students, 22,654 Spring 2014 Resident FTE).

Our annualized 2014-15 FTE projected is 23,352 annual resident FTE (+1 FTE over 23,351 target).

Our graduate student enrollment is slowly going down. Dr. Volkert is working with the Strategic Planning Group to determine the desired ratio.

International student applications are slowly on the rise. We currently have 771, last year we had 739, and two years prior to that we have 721. We are seeing a drop in graduate business program applications due, we suspect, in part to the increased cost of, and competition for, graduate business programs.

We've seen an increase in SF Unified applications and acceptances this year, in what may be a result of the CCSF accreditation concerns and students not wanting to risk enrolling there for the time being.

Although we must show modest growth to illustrate support for the 20 thousand more CSU students being funded by the state, having larger enrollment numbers is not a great way to solve our financial problems, and can cause other problems.

The newly formed Capital Planning Committee has been formed to help plan and advise on how to best adjust to circumstances such as rising enrollment; where we put our resources; etc. There are so many valid needs, and transparency in financial decision making is vital.

Getting back to the Capital Campaign, the quality of undergraduates experiences has been proven to motivate giving long-term.

Budget Update

Franz Lozano, AVP, Budget Administration & Operations, provided the budget update with accompanying PowerPoint presentation.

He began with the Legislative Analyst's Office 2014-15 budget, California's fiscal outlook summary which projects that General Fund revenues will outpace expenditures in the short term by \$2B. Healthy local property tax growth, and Prop 98 funding for K-12 and Community Colleges has helped. Surpluses are projected to grow steadily due to Prop 30. Continued caution is still needed however for a variety of reasons, many inevitable, volatile, and unpredictable.

He then outlined the 2014-15 CSU Support Budget Request including the monthly budget cycle and General Fund increase of \$237.6M (5% enrollment growth; student success and completion; mandatory costs increase; 3% compensation increase; financing maintenance and infrastructure needs; center for CA Studies). He then explained the Governor's Multi-year funding plan for the CSU and UC, the "5544 Plan": In 2013-14 FY, 5%, \$125.1M; in 2014-15 FY 5%, \$142.2M; in 2015-16 FY, 4%, \$119.5M; in 2016-17, 4%, \$124.3M, for a total cumulative increase in annual funding of \$511.1M.

Next he highlighted the SF State 2013-14 General (Operating) Fund, Enterprise Fund and Self-Support Fund expenditure budgets. These campus budgets consist of multiple components that are administered as separate budgets due to the nature of their funding and restrictions. The General Fund is approximately 78% of the budget at \$305M. The Enterprise Fund and Self-Support Fund budgets are approximately 22% of the budget at \$88M. Revenue sources include the General (Operating) Fund, Athletics, Campus Recreation, Continuing Education, Housing, Parking & Transportation; and Student Health Services. Major expenditure categories include salaries, benefits, and operating expenditure. Total Expenditure Budgets approximate \$393M.

A presentation on the university Housing budget will be provided at the next UBC meeting.

Adjournment

The meeting was adjourned at 11:20am.

Respectfully submitted,
Catherine Dunham
Administrative Assistant to the VP & CFO
Administration & Finance