

UNIVERSITY BUDGET COMMITTEE
February 21, 2014
Final Minutes

Members present:

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

Members absent:

Ramon Castellblanch
Harvey "Skip" Davis
Adenike Hamilton
Lawrence Hanley
Martin Linder
Genie Stowers

Call to Order

A quorum was reached and President Wong called the meeting to order at approximately 2:00pm.

Announcements

President Wong discussed the Science Building closure and associated costs. He stated that we were getting great support and a lot of press in Sacramento. The Governor, other legislators, and Mayor Lee all want us to get a new Science building. They are politically and philosophically in line with us about the necessity of a replacement building for our current and future students. The sub-par condition of the building, even once remediated, can only be temporary. Staff and consultants are working around the clock to assess and remediate the building. The chemistry labs appear to be in the worst shape. The President estimated the cost of a replacement Science building to be in the ballpark of \$100M. Science Buildings in particular are very expensive types of buildings to build. There are not many science buildings in SF. Possible public/private partnerships will need to be explored.

Comment Period (3 minutes per speaker)

None.

Approval of the Minutes from the December 13, 2013 UBC Meeting

The draft minutes of the December 13, 2013 UBC meeting were approved, no changes were requested.

Enrollment Update

Jo Volkert, Interim VP, Student Affairs, provided the enrollment update. Today is the last day to add classes and apply for graduation. We will have the final numbers in approximately a week or so. Our enrollment is slightly higher this time by about 400 students. Our FTEs are slightly lower, and unit load is also slightly lower. We have 8 new impacted majors. Some classes are not at capacity which may be due to the Science Building closure effecting enrollments in some classes. The Chancellor's Office is aware of this. In fall 2014 we did get a 1.2% FTE target increase which bring us to 23,352. Admission is now taking place for new admits and transfer students. The accreditation situation at City College is still a factor. The faculty union and others are pushing back to save the institution. Jo's annual spring report and memo to the Chancellor's Office will inform them of the negative effect City College's accreditation problems and the closure of our Science Building has had on our student enrollment numbers and graduation rates.

ORSP Update

Jaylan Turkkan, AVP, Research and Sponsored Programs provided an update via PowerPoint slides. She mentioned that of the \$60.4 M in Sponsored Project activity there has been a 1% decrease due to federal budget sequestration. The total R&D expenditures of \$33.9M is made up of Federal \$19M, Institutional \$11.5M, Non Profit \$1.6M, Private Industry \$0.2M, and State/Local \$1.5M. Research activities are comprised of Basic 4%, Applied 19%, and Dev. 77%.

Budget Update

Franz Lozano, AVP, Budget Administration & Operations, provided the budget update. He stated that the Governor's January budget proposes a \$106.8B spending plan (projected 8.5% spending growth), with a proposed \$2.3B reserve at the end of 2014-15. The proposed budget included aggressively retiring the state's "wall of debt", strengthening the rainy day fund (reserve), increasing K-14 program spending, and increasing programmatic investments concentrated in health, welfare, deferred maintenance, and higher education programs. Under current projections, the budget is expected to remain balanced in future years without the year-to-year gaps between spending and revenues.

The Governor's tax initiative (Proposition 30) was premised on the need to reinvest in education. The combination of the capital gains surge and temporary Proposition 30 revenues continue to allow the Governor's budget to reinvest in, rather than cuts, education funding.

Despite recent improvements in our budget situation, there remain a number of major risks and pressures that threaten the state's continuing fiscal stability. Thus, risks and uncertainties continue to remain with revenues, debt obligations and long-term liabilities.

The CSU General Fund Budget increases from \$2.35B to \$2.70B or \$450M for 2014-15. The Governor proposed CSU and UC governing boards to adopt three-year sustainability plans by November 30, 2014. Each segment is expected to project expenditures for three years, from 2015-16 to 2017-18 and describe changes needed to ensure expenditures so not exceed available resources (based on General Fund and tuition assumptions provided by the Department of Finance). Each segment will also be required to project resident and non-resident enrollment for each of the three years and set performance targets for outcome measures approved in the 2013-14 Governor's Budget.

Adjournment

The meeting was adjourned at 3:30pm

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