



UNIVERSITY BUDGET COMMITTEE

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## University Budget Committee Meeting MINUTES

DATE: Thursday, May 28, 2015

LOCATION: NEC Room -- Administration Building room 560

### **Members present:**

Les Wong, University President, and UBC Co-chair

Ronald Cortez, Vice President & CFO, and UBC Co-chair

Troi Carleton

Pamela Howard

Andrew Ichimura

Robert Nava

Linda Oubré

Janet Remolona-Blecha

Sue Rosser

Genie Stowers

Darlene Yee-Melichar

### **Members absent:**

Robert Keith Collins

Phoebe Dye

Luoluo Hong

Robert Pope

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### **Call to order**

A quorum was reached and Dr. Les Wong, University President and UBC Co-chair, called the meeting to order at 3:36 p. m.

### **Opening**

Dr. Wong welcomed all participants, and informed the assembly Vice President Cortez would join shortly.

### **Review of minutes of previous meetings**

Dr. Wong noted there had been a request to revise the minutes of the October 22, 2014 UBC meeting. Dr. Darlene Yee-Melichar, Professor of Gerontology, noted errors in the lists of members present and absent of the October 22 meeting. Revisions to the minutes were affirmed by President with dissent.

The minutes of the March 2, 2015 UBC meeting were affirmed by Dr. Wong without dissent.

### **Comments and Announcement**

Dr. Wong stated that the University received an increase to the budget, but this was still \$19 million short of requested funding. We are awaiting Governor Brown's May Revise, but we are not optimistic that we will see a significant increase.

### **Budget Update**

Mr. Jay Orendorff, Interim Executive Director of Budget Administration & Operations, provided the budget update with an accompanying PowerPoint presentation. He provided the following highlights of the Governor's 2015/16 state budget:

- California saw an increase in state revenues
  - most is already slated for:
    - prop 98 to K-14
    - UC pension liability and medical costs
    - Rainy Day Fund
  - Very rarely do we receive new funds without new obligations
- CSU received new funding for this year
  - \$119.5 million of the 5-5-4-4 plan
  - \$38 million to support enrollment increase and student success initiatives
  - \$35 million for energy efficiency and renewable energy programs
  - \$25 million to address deferred maintenance projects
  - \$25 million for innovation awards in revision of January budget proposal
- For SF State:
  - we enroll an additional 80 FTEs, equivalent to \$379,000
  - Of the 3,500 in CSU FTE growth in January budget, SF State received was apportioned 175 FTEs, \$28,000.

- In May, state cut \$38 million into halves
  - \$19 million for enrollment increase
  - \$19 million for graduation initiatives
  - of the \$19 million we are slated to receive \$400,000
- Addressing the SF State structural deficit
  - whittling it down each year
    - \$4.2 million in fiscal year (FY) 2016-17
    - \$3.1 FY 2017-18
    - \$1.1 FY 2018-19
  - This plan is more manageable than a single cut in a single year
  - Allows readjustment should budget situation improve in the future
  - \$2.4 million this year and permanent funds

### **Questions during Budget Update Presentation**

Dr. Yee-Melichar noted that CSU receive enrollment expectations with funding, while UC have no such expectations, and asked whether that inequity was being addressed.

Dr. Wong stated that he and other CSU presidents brought this inequity to the attention of legislators

Regarding Innovation Awards: it you got one this year, can you go in for next year? Dr. Wong responded, though many have asked that question, the answer is pending.

Dr. Wong asked Dr. Sue Rosser, University Provost and Vice President of Academic Affairs, whether the \$1.2 million in additional funding is likely to utilized in Spring 2016 because the Fall is set. Dr. Rosser stated this was consistent with her understanding.

Dr. Wong asked if CAP would go into effect with FY 2015-16? Mr. Orendorff assented. Dr. Wong followed up, asking if the University will eliminate cost offset. Mr. Orendorff stated it would not.

Dr. Jo Volkert, Senior Associate Vice President of Enrollment Management, asked when will trust funds be allocated. Mr Ron Cortez, CFO and Vice President of Administration & Finance, interjected it would be the decision of Provost and vice presidents which trust funds will allocated. This would be completed before June 30, because trust funds must be listed as sources of revenue when FY 2015-16 budget is loaded.

### **Comments and Announcements**

Dr. Wong commented that the structural deficit is a small part of the overall University budget. He also noted, not all units are equally adept at meeting budget.

Dr. Wong announced to the Committee he is looking to improve budget management processes by moving responsibilities and accountabilities from department level to cabinet level. He explained this would be in keeping with accounting practices and legal requirements.

He explained the reasons and processes for sweeping the budget funding for chronically unfilled positions. It will end the practice the requesting additional operational funding while there are already unspent funds in the budget which makes the budget seem larger than it is.

In addition, he mentioned that funds raised from the Fund Drive will allow for greater flexibility in spending.

Regarding the May Revise, Tuesday, May 26, was CSU Legislative Day in Sacramento. Dr. Wong and other CSU presidents knocked on doors in capital. CSU is not getting equitable share of monies, yet state is expecting it to expand to accommodate growing need. Brought this and several issues to the attention of state representatives. Local representatives are responsive, but Dr. Wong is not optimistic about receiving additional funding.

Once we are out of structural deficit, we will look at priorities and where investments should go.

Mr. Cortez noted that Southern CSU schools are receiving greater portion of enrollment growth monies due to historical formulas and current ability to expand.

Dr. Yeee-Melichar noted there is still discussion on re-benchmarking CSU. A report is expected.

### **Enrollment Update**

Dr. Volkert gave an update on SF State enrollment. Some highlights include:

Summer enrollment is 8-9% ahead of last year

- Fall registration is ongoing
- New student orientation will begin June 15
- FTE targets
  - about 3% over previous target
  - headcount over 30,000

### **Questions**

Dr. Rosser asked what affect Summer enrollment will have on FTEs. Dr. Volkert responded there are too many unknowns to make a firm statement as to the effect since Summer enrollment is still open, and an unknown number of enrollees will be dropped for non-payment. She reiterated enrollment is slightly ahead, 3% over target. She stated adjustments will be made for revised targets and report will be distributed when final numbers are received. Dr. Volkert went on to say Fall enrollment looks strong, citing the waiting list for housing is high. She stated she will have a better sense after orientation period in one or two months, but is confident in projecting reaching 2% over target.

Mr. Cortez noted more students require more lectures, and asked for a breakdown of undergraduates (upper and lower division) and graduates, with a a comparison to last Fall and projections of this Fall. Dr. Volkert projected a headcount of 30,100 for Fall 2015 which is 600 more that the 29,500 actual headcount of Fall 2014. As to the breakdown of upper and lower division, she offered to provide those numbers.

Dr. Wong, Dr. Rosser and Mr. Cortez asked questions regarding FTEs versus headcount, decreasing and increasing annual targets, and how state-supported Summer number may distort Fall projections followed. Dr. Volkert offered to generated reports and clarify any conflation of terms offline.

### **Comment and Questions Period**

Dr. Wong noted the University is under community and political pressure to comply with San Francisco minimum wage. SF State is the only local public institution not to comply. This is \$2.7 million, over 3 years, the University does not have. Robert Nava, Vice President of University Advancement, noted that UCSF and UC Hastings can communicate that they are open to complying with the SF minimum wage because they do not have undergraduate students to employ.

Question: Are summer classes taught by more lecturers? Dr. Rosser responded that there is no "one-size-fits-all" answer that conveys the situation in every department and college though overall you may see more lecturers because more lower division courses are taught in summer (Business in one exception).

Member noted that summer classes were put on-line, and question whether this was in greater proportion that the regular academic year. Other member expressed concern that many faculty are not accustomed or trained in teaching on-line courses.

### **Presentation by Professor Ichimura**

Dr. Andrew Ichimura, Associate Professor of Chemistry, advocated for promoting research. Some highlights include:

- Raises SF State profile
- Draws out-of-state student interest
- A form of teaching and instruction
- Requires investment in infrastructure and staff to development
  - Example: Dr. Ichimura and the Electron Microscopy Facility
    - conducts research during summer with students
    - Student learn research process and technical skills
    - Staff support was crucial in writing grant
    - Dr. Ichimura wrote grant proposal in 2008; it was declined
    - Wrote grant proposal in 2010; awarded \$750,000
    - He shopped for microscope and accessories
    - Prepped rooms and guided installation
    - Provides training to people to use the device
    - Unable to publish for 3 years as he prioritized this project
  - Such a project is considered extra to Capital Campaign
- Staff, infrastructure, research and faculty are interrelated and integral to University mission of teaching.

Dr. Wong thanked Dr. Ichimura for the presentation

### **Next Meeting**

Date for next UBC meeting will be proposed shortly. Look for announcement.

### **Closing Remarks**

Dr. Wong committed to keep everyone informed of University final budget. He recognised, as the academic year concluded, the University has done well this past year with some recovery both in budgeting and in staffing, as well as setting in motion initiatives. Because of the efforts of all the SF State community the Capital Campaign is making progress, and SF State is gaining in recognition. Dr. Wong expressed appreciation for the year's work.

Mr. Cortez expressed special thanks to Mr. Orendorff and the Budget staff for their work in putting together presentations to Academic Senate, Executive Committee and UBC.

### **Adjournment**

The meeting was adjourned at 4:52 p.m. by Co-Chair Cortez

Respectfully submitted,  
Edwin D. Critchlow  
Administrative Analyst/Specialist  
Budget Administration & Operations

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