



## University Budget Committee Meeting

### MINUTES

DATE: Wednesday, July 6, 2016

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

Sue Rosser

Shannon Deloso

Sue Rosser

Robert Nava

Troi Carleton

Genie Stowers

Darlene Yee-Melichar

Antwi Akom

Janet Remolona-Blecha

#### **Members absent:**

Luoluo Hong

Linda Oubré

Pamela Howard

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#### **Call to order**

A quorum was reached, and Ronald Cortez, Vice President & CFO, and UBC Co-chair, called the meeting to order at 10:04am

## Opening

President Les Wong started off by introducing Shannon Deloso who is a part of Associated Students and is also the Ethnic Studies Representative and Corporate Secretary. He then continued with his Welcome statement and then handed it off to VP Cortez. VP Cortez's Welcoming Statement highlights included:

- Providing transparency on processes
- Audits, legal closed & gap closed
- Awaiting Governors budget
- Adopted budget on 6/28/16
- Jay Orendorff to review budget details in presentation to UBC
  - Chancellor White will provide "B memo" – actual budget
  - University areas are working on 2016-17 budget

## Comments and Questions

President Leslie Wong's highlights included:

- Asked to share (handouts) with Committee members
- Thanked A&F for working through July 4<sup>th</sup> (something that shouldn't happen)
- Notes that CA is 6<sup>th</sup> largest economy in the world
- In robust economy, things are "in flux"
  - Community college enrollments are declining
  - CSU enrollments are inconsistent
  - UC faces significant budget issues
    - UC Berkeley facing a \$150m shortfall
- Minimum wage (commitment to no full time employee will make below \$15/hr)
  - As students makes more, their financial aid may go down
  - Student will need to make a decision to either take financial aid or make minimum wage
- Pell Grants for summer & post incarcerated students
- Labor contract obligations in flux
- Financial obligations across campus
  - Commitments to ASI, Ethnic Studies, SAEM and UPD
  - Support college budgets and faculty ("re-benching" of needs)
    - University-wide discussion
    - Strategic Issues Committee
- Complimented VP Robert Nava & Development Office
  - Fundraising for 2015-16 an all-time record of \$22.4 million
  - Despite contentious Spring semester

- Community shows belief in discussion & direction of the future

### **Budget Update**

Mr. Jay Orendorff, Executive Director of Budget & Risk Management, provided the budget update with an accompanying PowerPoint presentation. Highlights included:

- Presentation “flux” (PowerPoint) budget process @ state level seems very orderly
  - Elections, Prop 30, and 5-5-4-4 (coming to an end)
  - Prop 2 Rainy-Day Fund
  - One-time funds and how they affect CSU
  - As per above, Prop 30 also ending
- Likely to raise tuition w/ end of 5-5-4-4
  - Suggestion to peg tuition to inflation
- Funding revolves around graduation rates and how we view it
  - 4 year rates not great, but 6 years are great.
  - Revision of 2016-17 Support Budget incremental
- Institute in Sacramento \$1.1mil
- One-Time funding offsets for paying for one year, but need to figure out what to do thereafter
- Review of campus shares, state allocation & tuition fees
  - Permanent expenses \$19.3m & \$4.4m
  - This year we received almost equal one-time and permanent expenses
  - Wanted to highlight the one-time funds
  - Budget “B” memo will come out in about a week
  - Not a lot of discretionary movement within the cabinets
  - Nothing here to cover. Receiving \$7 million additional this year
- With budget becoming more rigid, it also makes planning more difficult

### **Comments and Questions.**

The following comments made were based off Jay Orendorff’s budget presentation which include questions and comments from Genie Stowers, Sue Rosser, Jo Volkert, Darlene Yee-Melichar, Ron Cortez, Robert Nava, Shannon Delose, and Troi Corleton.

- Genie Stowers noted that there was decrease in corporate tax share
  - May help renew prop 30
- Les Wong: free college at CC will create a huge problem for SF State
  - More transfer students, but teaching them with less money
- Sue Rosser: the new funds are one-time; this is new money. Last year was much better

- Jo Volkert: what is student success network?
- Darlene Yee-Melichar: what are discretionary uses of the budget?
- Genie Stowers: Raises are coming in August
- Ron Cortez: raises are going out; we just have to figure out how to pay for it
- Les Wong: Budget becoming more rigid
  - With more one-time money
  - Belief of budget freedom, in many ways it's become more dedicated and much more rigid
  - Difference between one-time funding and permanent funding
  - It presents more difficult problems
  - If enrollment goes up, we still don't have enough monies for teachers
- Troi Carleton: does advancement fund affect us immediately and long term, does this free up money that was general fund used for certain things?
- Robert Nava: gifts are usually dedicated general adjustments
  - Few exceptions can be used to "swap out"
  - It does not affect, it complements the student experience
- Genie Stowers: why one-time funding increases
  - Election year
  - Politic in general
  - Federal election?
- Ron Cortez: Governor may be planning on recession
- Genie Stowers: Governor added more to rainy day fund
  - Ron Cortez: Yes
- Les Wong: Governor does not believe the current economy will last, "doesn't have legs"
- Darlene Yee-Melichar: are international student fee revenues included?
- Ron Cortez: revenue is flat for the last 5 years
  - Jay Orendorff: revenue has been declining slightly
- Darlene Yee-Melichar: other systems looking to bring in advancement & other sources of revenue (grants and contracts)
- Les Wong: CSU campuses are looking for other sources
- Ron Cortez: How to optimally run budgets
  - We budget traditionally/outdated way of budgeting
  - Moving to "all funds" kind of budget
  - Looking at budgets differently to see trends and "reset" to meet current needs
- Genie Sowers asks if budget includes foundation

- Ron Cortez: Yes, it does.
  - Trying to move away from incremental budgeting
  - Templates to view budget all funds including:
    - General fund
    - Other trust funds
- Genie Stowers asks if this will reduce conflict
  - People will be able to see how other colleges have money and where its coming from
- Troi Carleton: it will help with increased understanding

### **Enrollment & Project Updates: Wellness Center, LCA, Winston & Holloway project, Student housing etc.**

- Mashouf Wellness Center (MWC) project review: pretty good on project goals
  - Shooting for April 2017, most likely going to be May `17
- LCA project: \$1.7mil for design/ \$45mil construction

### **Comments and Questions**

The following comments and questions are based around the new projects coming to SF State and how it will affect housing and student enrollment, as well as how it will help the University.

- Les Wong announced that he will be announcing the contractor for the Winston Drive project very soon. Starts to describe the project in details:
  - Location will be on 19<sup>th</sup> and Winston Dr.
  - High rise apartments for student housing
  - Will then move down Winston Dr.
  - Holloway project will come next
  - This will be a 3-part project to Holloway
  - Housing for 3,000 students moving into housing for over 8,000 students
  - Housing for faculty & staff will also be part of the Holloway project
- MWC will be platform (3<sup>rd</sup> in country)
  - Looking at different energy packages
- Shannon Deloso: Housing cost relating to these new projects
- Les Wong: goal is to make it below market
- Ron Cortez: housing target aiming to be 20% below market
- Shannon Deloso: how will the food & dining opportunity look with the new housing projects?
- Les Wong: we hope for single card system; we will look (meal swipes)

### **Enrollment Update**

Dr. Jo Volkert, Senior Associate Vice President for Enrollment Management, gave an update on SF State enrollment. Some highlights include:

- Enrollment projections (see handout)
- Affordability links into student success program
- Summer enrollment 10% ahead of last year

### **Comments and Questions**

The following comments and questions are student enrollment update and projections.

- Les Wong: more units this summer
- Jo Volkert: about the same
  - Allowing students to register for 16 units has increased average unit load
  - May increase retention with opening wait list to continuing students
  - Considering requiring deposit with acceptance
  - Less of wait list for housing
- Ron Cortez: about 1k less
- Ron Cortez: hopefully this was helpful
  - Troi Carleton: faculty will appreciate all #s to better understand
- Les Wong: once we get this cleared...
- Troi Carleton: belief in secret pot of money will dissipate
- Jo Volkert: Announced retirement at end of August after almost 40 years of service to University

### **Next Meeting**

The next University Budget Committee meeting was not discussed.

### **Closing Remarks**

- Student Involvement Center mandates college, student & faculty representatives

### **Adjournment**

The meeting was adjourned at 11:40am

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

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