

2022-2023 Year End Committee Report Form

Committee: Budget Advisory

Chair: Charlie Faas, CFO and Karthika Sasikumar, Vice-Chair of the Academic Senate

Chair-Elect for 2023-2024: Charlie Faas and Tabitha Hart

(Please include phone/zip/email if available)

Number of Meetings held: 9

Items of Business Completed 2022/2023

1. Reviewed a draft of the budget presentation by the CFO to the senate in October 2022, and shared suggestions for inclusion of items in the presentation ô specifically related to the proposed Alquist building and other campus construction.
2. The CFO expnckpgf"vjg"rtqeg

2. Giving consideration to expanding BAC membership, which would require a referral to the Organization and Government Committee of the Senate; specifically adding a student member, but also considering other additions.

Please return to the Office of the Academic Senate (CLK 500/0024) by July 1, 2023.

October 20 **Budget Advisory Committee**
(Special Agency of the Academic Senate)

Minutes

Thursday, Sept 22, 2022: 1:00 p.m.-2:00 p.m.

Via Zoom

<https://sjsu.zoom.us/j/93679580616?pwd=bmE1QWhEd1RXcDYwT2swRDJQOUNzZz09>

(Also, in Calendar invitation sent by Lisa Vlay)

Today's Minutes: BJ Grosvenor

Attendees: Karthika Sasikumar (co-chair), Charlie Faas (co-chair), Antonio Maldonado (AS Controller), Eric Rollerson, Kathleen Prunty, Jennifer Nathan, Audrey Shillington, Tamar Semerjian, Kristen Rebmann, Susan Jaynes, and Billie Jo (BJ) Grosvenor

Absent: Sami Monsur

1. Approval of Agenda

Approved by consent

573474336. Introduction of the co-chairs and description of the charge of the committee
The Academic Senate is still seeking two individuals to serve on BAC in the faculty roles.

573474224. Introductions of members

All introduced themselves.

573474000. Requests for volunteers to take minutes (BJ Grosvenor, Sep 22)

October 20 ó

Shared his role this term in the preparation work prior to the October Academic Senate meeting. The finance team is still working through the budgeting process based on the budget allocation that came from the State through to the CSU.

Faas question to BAC - what do you think the Senate wants to hear in October? BAC provides CFO Faas feedback as to topics of most interest to the Senate.

Questions put forth in the meeting today

1. Cost of living how is that being calculated into SJSU budget
2. Utilities costs
3. Infrastructure challenges in teaching spaces and the implications for budget

Faas shared PPT slides that explained the CSU budgeting cycle. This included an explanation of what occurred in the ask to Governor Newsom, the modification and the final dollars given ttf-/TT0 1honclude

Charlie continues the discussion on the limitations we have. He argues that we should be able to differentiate types of degrees that generate more salary for the graduate (Engineer vs. Arts degree).

8. Discussion on funds. Sami commented on some ways we can use PaCE to help realign actual self-

Budget Advisory Committee
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Minutes

Thursday, December 15, 2022: 12:00 p.m.-2:00 p.m.

Via Zoom

<https://sjsu.zoom.us/j/93679580616?pwd=bnE1QWhEd1RXcDYwT2swRDJQOUNzZz09>

(Also, in Calendar invitation sent by Lisa Vlay)

c.

- g. Fund corrections nation-wide for overspending during the pandemic (ie tech industries lay-offs, no more CARES funds, etc)
- h. Discussion about merging of CSUs like we at SJSU are planning/doing with consolidating HR systems with State-side/Research/Tower.
- i. Viewed Alquist component of Chancellor's meeting held on 1/25/23. Topic title- Conceptual approval of a workforce housing that is a public-private partnership. Plan for affordable faculty, staff, and student housing. The site is planned to be given to SJSU in the spring/April 2023. CSU approved next steps, getting bids from private development partners.

5. Questions for CFO

- a. President Teniente-Matson: her vision and priorities for the university. One component is to create a budget commission. Charlie suggested to her to possibly expand the BAC to fit the Rtgu kf g p v o u " x k u k q p 0 " F w g " v q " v k o g " y g " y g t g " p q v " c d l e to expand on this discussion.
- b. Graduations in Fall 2023: costs and revenues if any (cost comparison with one large stadium graduation). Thoughts of holding graduation in the stadium. How to do that while making it a meaningful experience for our graduate students?
- c. Update on Alquist Redevelopment progress. Key factor is that the Alquist building needs to be affordable for our staff and faculty. Half of the units will be market rate and help subsidize the BMR units.
- d. Budget cuts: rationale and predictions (we did not have time to discuss this topic)

Online. Are there processes in place to understand which departments and programs actually need facilities space or will SJSU online work to build enrollment from non-traditional r q r w n c v k q p u A " E H Q 0 u " t g u r q p u g - we need to expand our online education especially to capture out of state student enrollment. We need to look at how to optimize our campus, especially with the goal w 7 n t h F r z e w w to opt SJSU

Deliverable: a report to the President by the end of the semester. We will need to meet every other week until May 4, and a proposed calendar was presented.

The discussion turned to ways to reduce the deficit. Layoffs, salary reductions, hiring freeze are some tools in the toolkit but we do have to discuss it. These are all hypotheticals at this point. If you look across the campus, we have 20-52% of positions counting on those salary savings to bridge the budget gap each year. We need to streamline these and eliminate stopgaps, even if it means reducing the number of open positions. We could also give a higher salary to some employees who are performing the tasks of multiple positions.

Budget Advisory Committee

(Special Agency of the Academic Senate)

Held via zoom:

<https://sjsu.zoom.us/j/93679580616?pwd=bmE1QWhEd1RXcDYwT2swRDJQOUNzZz09>

Password: 500527

February 23, 2023

Present: Charlie Faas, BJ Grosvenor, Susan Jaynes, Antonio Maldonado, Sami Monsur, Jennifer

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Kathleen specified that the decision- o cmkp i "y knn"dg"uvknn"d{"vjg"ec o rwu"ngcfgtu"cpf"vjg"DCEøu" role is to give advice.

Lisa will be sending out a revised calendar for BAC meetings, as well as the subcommittee meetings which will all be by Zoom.

Simon suggested that before the subcommittee meeting, we spend some time understanding the details of the issue assigned to the subcommittee with a half hour meeting. Karthika suggested that instead of meeting for 30 minutes, that information should be shared with the subcommittee members, via email so that they are better Informed before they come to the meetings.

A link to the CSU portal for financial information for all campuses was shared and Charlie explained how to navigate it.

We looked at different campuses and their different balances and reserves. Susan explained that the CO reviews the reserves. By pooling reserves in different places on campus, we can make meaningful investments. BJ asked whether centralized budgeting is here to stay, because with decentral

Discussion of the sub-group presentations and deficit reduction

Simon Rodan asked a question about the fee structure. We know that students can take up to 15 units for 6800 dollars. They pay another 2000 dollars in fees for AS and the Health Center and so on. Simon concluded that when we are at target enrollment, marginal revenue = marginal cost. For resident students, if we go over target enrollment, marginal revenue is lower than marginal cost since the state is not funding us. Therefore, we cannot grow out of this deficit. Instead, he suggested that we need efficiency gains. These can come from automating processes and increasing Student Faculty Ratio (SFRs).

Charlie Faas pointed out that on the other hand, the CSU will punish us for falling short of the target enrollment number, and reward us for exceeding the target. So it also makes sense to try to raise enrollment and gain these extra funds.

Simon also said that the research initiative that has been implemented at SJSU is costly, as it takes 25 percent of courses away from the faculty. We can learn from the UCse arthe T/TT0 1ginkeid

Budget Advisory Committee meeting

April 13, 2023 (via Zoom, 11.30-1 PM)

Present: Charlie Faas, Alerie Flandez, BJ Grosvenor, Sami Monsur, Jennifer Nathan, Kathleen Prunty, Kristen Rebmann, Simon Rodan, Eric Rollerson, Karthika Sasikumar, Tamar Semerjian, Audrey Shillington

Absent: Antonio Maldonado

Minutes taken by Karthika Sasikumar

Karthika Sasikumar reported that the new Senate Vice-Chair (the ex officio co-Chair of the committee) would be elected on May 8.

Kathleen Prunty would be retiring formally on April 28, but she would be still on the May call, as she continues her role during the transition. The search has been announced for the new Senior AVP.

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The reprieve for filing taxes, to accommodate the effects of natural disasters, means that we lack insight into whether the State of California has enough revenue to fund our requests. We may need to adjust our spending.

Simon Rodan asks whether the goal of the BAC/SJSU is to fix the problem in the short term, or the long term ô in the first case the deficit can be fixed by dipping into the reserves. The CFO says that we need to fix it in 3-5 years, because any quicker would involve mass pain. We should not count on enrollment growth in the next year. But two to three years of growth in the future, especially if the CO increases tuition will help solve it (though that may cause the governor to pull back on the compact). Also, any potential tuition increase only applies to the first-year students, and not all the enrolled students.

Our campus is, from a Pell eligibility standpoint, lower than other CSU campuses (only upper 30s of our students are Pell eligible) ô so we have a fair amount of HEERF money, but other campuses got much more. We continued to hire faculty and grow our research base during the lean times of the pandemic.

Simon Rodan asks if we could benefit from re

Chairs do not have access to all the tools related to enrollment that they need for strategic planning (this is reiterated by Tamar Semerjian).

President Teniente-Matson joins the meeting (12:11 PM).

Simon Rodan says that chairs are always eager to have planning tools and are forced to rely on 37-23 sections of our capstone course in the Business School, but we do not know how many are applying for graduation.

Alerie Flandez and Charlie Faas suggest that we include an expert on enrollment on the BAC.

Sami Monsur says that Academic Scheduling and Space is in the process of activating new tools and has made an offer to a new project person - this should facilitate access by the Chairs.

President Teniente-Matson commends the committee and emphasized the importance of the work that is outlined in senate policy F15-9. The management of resources for the institution requires us to work together. She says that in the future, at the beginning of each academic year, she would create a presidential charge for the co-chairs of the committee. She asks the members for their advice for recommendations for a structurally balanced budget--a realistic approach, a multi-year strategy. We cannot do everything first as an institution. The system is focusing on enrollment growth, and we must align our campus resources with the strategic plan. We are having a summit on April 24 from 2-4 on recalibration of the strategic plan.

Alerie Flandez says that she used to be a classroom teacher. She is not surprised by the enrollment decline. We need to foster partnerships with the county and school districts, such as the NorCal Promise Coalition would be useful. Jennifer Nathan says that as per her personal experience, SJSU is understaffed in the area of recruiting in local high schools.

Simon Rodan says that it would be good to have priorities as we look through various options. Also, it appears that the marginal cost of adding a student is seemingly equal to (or even more than) the marginal revenue of adding one. This would imply that enrollment growth is not the answer to our budget woes. As for scheduling, we could get efficiency gains by eliminating under-enrolled classes.

He also poses some strategic questions to the President: the push to do more research has significant costs - are we committed to it? The Athletics subsidy of \$9 million is because we are in Division One.

The President responds that strategic enrollment management is needed to keep our brand strong. Everybody needs to be reminded about it post-pandemic. Market analysis is needed on Gen Z preferences. She states that we will maintain the research agenda, because of our size and stature and our location in Silicon Valley. Undergraduate research is important for first-generation students. Athletics is a critical part of the student experience. How do we support it to grow revenue so that it need not depend on the General Fund? Most athletics departments need General Fund support to some extent. Our sport participation buys some national attention in a good way. Kathleen Prunty shares that San Diego State had a valuation of their media exposure of \$200 million due to March Madness. This helps with enrollment.

CFO Faas then shares the list of proposals for reducing the budget deficit. Not filling staff positions: we can save \$5-7 million in salary with benefits on top, but it creates issues with workload. O and E cuts are worth \$4 million. Charging entities appropriately for use of campus resources, such as classrooms and common areas (expected gain of \$2.5-3 million) Enrollment management to be moved from Student Affairs to Academic Affairs, to have more explicit

alignment with local high schools and community colleges

Budget Advisory Committee meeting

May 4, 2023 (via Zoom, 11.30-1 PM)

Present: Charlie Faas, Alerie Flandez, BJ Grosvenor, Sami Monsur, Jennifer Nathan, Kathleen Prunty, Kristen Rebmann, Simon Rodan, Eric Rollerson, Karthika Sasikumar, Tamar Semerjian, Audrey Shillington

Absent: Antonio Maldonaldo

Minutes taken by Karthika Sasikumar

The last meeting of 2022-23 was informal and there was no set agenda, since the only task was to generate ideas for the memo requested by the President to address the structural deficit that the university faces.

Simon Rodan reported on the presentation by Provost Del Casino. The major takeaway was that online programs are a future revenue generator. CFO Faas agreed that SJSU online (as reported by the Provost) is a future revenue generator.

