

**California State University, Chico**  
Academic Senate  
(530) 898-6201, Zip 020  
MEMORANDUM

**UNIVERSITY BUDGET COMMITTEE MINUTES**

July 27, 2020, 2:00-4:00, K-207/209

Boyd welcomed everyone to the meeting and encouraged people to label themselves in the participants list as guests or members of the UBC. [12:58-15:09]

She noted she is running her first public meeting as the new Senate Chair and thanked all the administrative personnel who put together all the information we will see today. This UBC meeting will be different from normal meetings as it is Summer, and it is arranged to have more open questions and answers. The slides and material will be minimal. She hoped guests would enter questions on the chat so members could take them up.

**1. Approve Agenda** [15:09-16:51]

Boyd noted that for items 3, 4 and 5 the same link is attached to the agenda and one only needs to scroll down within the link to find all of the items. There will be no minutes to record voting on items because faculty are not on contract to be working.

Agenda Approved

**2. Enrollment Update (Jeni Kitchell, Jerry Ross)** [17:04-36:55]

Jerry Ross (AVP Enrollment Management) remarked that much has happened since the Enrollment report in May and there is more data to share.

[Slide 2] He said this data comparing Fall 2020 and Fall 2019 numbers of Applications, Admits, Intents to Enroll, Enrolled and Targets was widely shared in weekly updates and meetings, but he underlined over the last few weeks they have seen rising numbers of Intents to Enroll during Summer Orientation. We have greater certainty about our new student enrollment. He drew some conclusions:

- At his point we are a little over our enrollment target
- There will be summer melt
- For Transfers, we are 4 students shy
- He thought given the pandemic and the initial drops in enrollment there is some cause for cautious optimism
- He said our Summer Orientation has been strong and praised everyone involved

He noted that Enrollment Management has increased use of social media and other programs to send as much information to our newly admitted students as possible.

The graduate school numbers are still a work in progress as new graduate student registration has just started this week. Applications and Admits have been similar to last year.

The International student population is very fluid as circumstances continue to evolve sometimes on a daily basis as new rules emerge about permitting them to enroll or get a visa or enroll in online education unless they take at least one in person class. Our Office of International Language and Cultures is working closely with applicants.

[Slide 3] Jeni Kitchell (Associate VP for Budget and Operations) recognized that this slide has been seen at the February and May UBC meetings. The 2020-21 Preliminary Planning Assumptions have been coming to pass.

- New Students Entering in the Fall are trending toward the 4,040 number with the exception of the Grad and International students
- The circled number 15,840 is the number we are shooting for in our enrollment planning model for our Fall headcount
- This chart annualizes our enrollment over the entire year so that we can build our budget around it
- 15840 will be our Headcount Goal (All the red numbers are projections using prior year trends and data to land at and Annualized FTES of just over 14,527.
- The annualized 19-20 FTES has been finalized as 15,705
- We are projecting a decline of about 7.5%

The last box is labeled 20-21 Budget Planning Model. This number will be slightly under last year's budget in order to give us a cushion for this year's budget since there is so much uncertainty as we continue to monitor enrollment. She noted that Aug. 3 will give us more data to be most comfortable with budget planning.

Questions were raised:

- What percentage of those students are beyond campus?  
Jerry Ross said that Housing went through a plan with campus and the Butte County Department of Health to bring in about 50% occupancy in housing (about 1000 students). They have put out a call, and had good success but plans are not finalized yet.  
Connie Huyck (Executive Director of Housing) said about 840 students have committed for Fall
- What is causing the discrepancy between the 2.7% drop on one slide versus the 7.5% overall? Jeni Kitchell said the first chart is annualized the second is from Fall to Fall. Jerry Ross said we are looking at New Student Enrollment versus Total Enrollment as well.
- How does our Fall 2020 continuation rate compare historically to Fall continuation rates? Jerry Ross said the indicators suggest consistency. Registration rates remain high and

students applying for educational leave is still pretty low. We saw many students moving around in their schedules, but they were not dropping. We still have several weeks to watch these numbers to have any real certainty.

- We typically have a mix of students who are part-time versus full-time in regard to tuition and they all roll-up into the headcount. Are we anticipating the same mix? Jeni Kitchell said they did not foresee a great difference. The Grad/International students could have a more significant impact and combinations of students could change so they are continuing to refine these numbers.
- In the past the CO gave us targets and we adjusted them locally to adjust for other shortfalls for example with international enrollment. What are the implications of not being able to use enrollment in this way? Jeni Kitchell said we still have a resident funded target from the CO. This year, it has been kept flat (the same as 19-20). We did not enroll to our resident funded target in 19-20 and we do not expect to achieve that in 20-21. But our funding is being held whole based on the 19-20 funded target.

3. **COVID associated expenditures and savings (Ann Sherman, Jeni Kitchell) [36:55-47:41]**

Jeni Kitchell said they would speak briefly about COVID expenses and about the CARES Act distributions. [Slide 2] She noted that expenses have been tracked since March and the numbers presented start in March and in some cases are projected into Spring 2021.

EXPENDITURES specific to COVID are -\$690,000 (the specific costs are listed)

Some projected SAVINGS total \$1,500,000

- Utilities created savings in the Spring and through the Summer and are projected into the Fall
- Travel savings are calculated for the entire academic year (since they have been suspended for a year)
- Printing have been saved (probably near \$200,000)

REFUNDS were also a cost incurred \$4,900,000 to reimburse Housing, Parking for students and in some cases employees.

LOST REVENUE \$454,000 has been tracked for planned fund-raising events, conferences and campus events

This list is made up of estimates and it is clear things will change.

**COVID Associated Impacts: Construction Update**

[Slide 1] Sherman said there was curiosity about how the projects on campus were progressing

- a week delay several months ago in construction on the Science building when one of the workers tested positive.
- There were increased costs that led to project modifications for the Student Health Center (because of the need for safety for the workers doing the upgrades)
- CARES funding was being used for classroom refreshes and upgrades for the next year (20 classrooms will be refreshed and upgrades)
- We are reimagining Butte Hall and the Physical Science Building projects this is in part because of changes in the timing of the capital funding for future construction projects. There are extensive conversations with the CSU and the California Department of Finance looking at the funds already allocated and those that were already encumbered to see if all parties can save money on these projects
- We will install solar panels on four of our buildings this summer (new Science Building, Parking Structure, and the BMU)

Questions were posited:

- What happened to the old Physical Science building?  
Sherman noted that the original plan was to remodel it and hold it as surge space while we prepared for the Butte Hall renovation. Now it is possible that we can reimagine those projects and create a new Butte Hall. We have asked our contractors to give us ideas and these will be brought forward over the next couple of months.
- How about costs for technology, webcams and document cameras?  
Sherman said that these costs were accounted for in initial purchases this Spring. The CARES Act is also covering a large proportion of those costs
- There are continuing desires for technology like document cameras, webcams in classrooms. Where are these requests best sent?  
Sherman said these are being compiled by IT and requests can be sent to Mike Magrey. There are also good resources online if people have questions.

4. [CARES Act funding distribution update](#) (Sandy Parsons-Ellis, Stacie Corona) [47:41-53:39]

[Slide 2] Stacie Corona (Associate Vice President for Financial Services) explained that Chico received funds from The Higher Education Relief Fund (HEERF) in three “Tranches”

1. Emergency Relief Fund (for students)
2. Institutional Use (costs Jeni Kitchell discussed and some technology)
3. Minority Serving Institution <http://www.csuchico.edu/coronavirus/caresact.shtml>

[Slide 3]

		<u>Dispersed to Date</u>
1. <u>Emergency Relief Fund</u>	\$9,979,696	\$(9,979,696) Augmented by \$439,745
2. <u>Institutional Use</u>	\$9,979,695	\$(5,515,765) \$4.9M to students, \$615K Inst
3. <u>Minority Serving Institution</u>	\$1,413,862	\$(1,213,618)

All of these funds were applied for and they are drawn down as we received applications and make plans. \$11.6M was distributed to students in May in a couple of different block grant programs. The balance of the Minority Serving Institution funds will be awarded over the Fall semester. We are also still working on how to spend the remaining Institutional Use funds and technology to augment virtual classroom instruction will be favored (this must be spent by next May) There is also FEMA money available to us.

5. **State Budget Update; CSU and Chico State allocations** (Ann Sherman, Jeni Kitchell)  
[53:39-1:17:32]

Sherman gave an overview of the State Budget Update for 20-21. The CSU has a \$299.1M ongoing decreased allocation.

[Slide 2]

- We had \$4.30 billion in 2019-20 and now have \$3.72 billion this academic year.
- If federal funds are received by the State before October 15 it is possible we will receive more one-time funding.
- The federal Senate did put together an aid packet with money to support local and state government this week and this may impact us.
- No enrollment increase
- Impacts expected through 2022-23

[Slide 3]

- January 2020 the Governor promised he would give the CSU \$199M
- Budget negotiations continued and it turns out we lost \$8,177,000
- Overall this gives us a 5.8% reduction in our state allocation general fund budget
- This is better than we had originally envisioned (a 10% reduction)

[Slide 4]

This slide shows the older slide that envisioned three different scenarios about how much state support we would receive and we have now inserted a Scenario 2.5 based on the actual funds the state has promised (unless this changes). The three main future uncertainties 1) how would the virus act 2) what state support would be forthcoming and 3) what would our enrollment be to support tuition and fees are now becoming clearer.

We know what state support will be coming and we are learning more about what our enrollment will be. Our state reduction is (5.8)% and our Enrollment is close to (7.5)%. We have settled on a loss of about \$30.6M for planning purposes. With the updated numbers we are coming in at about \$(22.7M). We are in a significant gap compared to last year and we are in a significant conversation about how to meet the challenge, including using our reserves.

[Slide 5] Sherman explained that this slide addresses some of the ongoing uncertainties we have.

- Enrollment (summer melt is unclear) and COVID (Butte county put on a watch list and changes in Fall plans may be altered)
- Finalize campus Budget Plan revenue sources in early August (there may be additional modifications to state allocations which might even be claw-backs)\
- \$17-\$25M budget reduction
  - Will require expenditure reductions
  - Strategic investments to lower costs in the long-run
  - Infrastructure efficiencies
  - Use of reserves (we are discussing how to expend these funds -more or less up front? How to remain viable for the long-term for our university and for Butte county as well
- **Chancellor's Office notice of intent to discuss layoffs letter (Ann Sherman)**  
The Chancellor's Office sent out a notice of intent to the unions to proceed with lay-offs, and then they walked that back.
- **Chancellor's July 20 message on CSU budget**  
This 3-page letter gives more information about the CO's estimation of the CSU system-wide impacts.

Questions were asked:

- Is the one-time federal aid separate from student aid like work-study? Sherman answered "yes"
- Will student fees be reduced so the cost to students is less? Sherman said there is ongoing analysis about the place of fees that is not complete yet.
- Have there been any Lecturer non-retentions and any AWTU reductions? That should be a question for Academic Affairs.
- Sherman said that the CO is invoking lay-off procedures on some campuses that have not been as fortunate as we are in terms of debt service loads, for example. In order to talk about furloughs there must be a notice of potential lay-offs. That was the intent of the initial message. Subsequent to that, it was determined that there is so much variation across the CSU it would not be productive to invoke system-wide furloughs when some campuses needed to take immediate action with regard to lay-offs.
- It was hoped that we could talk alternatives which the CO seems to be attempting. Although the CO is trying to invoke furloughs, we are past the statutory time to do that and this letter does not count as a formal declaration of it, since it must be negotiated system-wide. There are other ideas not discussed:
  - faculty already took a pay-cut because we did not open up negotiations on our contract-we did not get cost of living raises

-administrators got a 3% raise last year

-the faculty and staff have already done things, are there efficiencies we can find in administration? Maybe some very highly paid administrators want to step back for the good of the order?

-UBC is one of the places to talk about such shared approaches to our challenges

- How can we understand the role of individual campus reserves in relation to the system-wide reserves? Or, are they completely distinct from each other? Sherman noted that the CO website gives the balance of reserves at individual campuses.
- It was pointed out that one category of reserves in the CO system is “uncertain economic times” and “building reserves” -a few different categories. Does the category “uncertain economic times include the campus reserves? Sherman replied affirmatively. It seems that it would be hard to see how such a category both fits locally and in the system-wide reporting. Does the system have its own distinct reserves separate from others? Sherman offered to provide a detailed discussion outside this meeting
- Boyd said we will be covering the reserves and some of these details when we return to the academic year sessions. The ASCSU Fiscal and Government Committee might have some information as well.
- Sherman wanted to affirm that she is interested in following processes and brain-storming ideas about how to come up with decisions to maintain our university. We must be good stewards of our fiduciary resources and make sure we are doing the right thing for our entire community.

6. [Academic Affairs budget update](#) (Debra Larson, Jennifer Mays) [1:17:34-1:34:31]

[Slide 1]

Larson explained that she is showing how Academic Affairs ended its year. The report shows the impacts of the stay-at-home order in March. We were in a very positive budget cycle before COVID-19 struck. All of our units would end the fiscal year balanced and beginning to project some healthy roll-forwards.

The first column shows the amounts given to the colleges for 19-20. The second column shows what we actually spent. At the bottom of the third column, the year-end balance shows we underspent \$21,703,394. This includes a portion of the centralized AA reserves that is roughly \$14M.

The third column shows a significant savings in benefits and some salary changes because of changes in staffing this year. The Support Units (which includes the Library, IRES, Graduate Program, UED, RCE and others) had a nearly 886,920 year-end balance. All the colleges appear in this column with year-end balances. These savings came from a number of things, benefits, we had stopped travelling, recovery methods from RCE (which let us

move more money from the Campus Partners fund into the General fund) We had roll-forward in unspent GI 2025 funds,

In preparation for the 20-21 budget which must be produced quickly so that it can guide conversations about the schedule which must be populated in February and March. She said she and Jennifer Mays worked with the third scenario that posited a \$30M deficit. They then included the college Deans and posited a cut of 3-5% for all the units. We did this by taking 90% of the roll-forward funds as a one-time effort to help mitigate the overall cut to the division.

The fourth column shows a number of funds not being swept.

We are much more confident now of our enrollment numbers. We will also go back and evaluate our budget in light of the \$22.7M shortfall.

Questions were raised:

- Were there any possible Lecturer non-retentions, or AWTU reductions? Larson said it is reasonable to think this might happen especially to Lecturers who only have a one or two-year entitlement. She noted we are right on target to hit 14,547. That is much closer to the 15,840 for Fall headcount. From an instructional perspective, we are down about 1,000 FTES. It might be possible that there are some very modest adjustments, but this is where Deans and Department Chairs look at enrollments and the course offerings to balance them against the cut. There will be positive instructional demand.
- Larson added to the list of support units in AA: Grad School, RCE, OPAL, Office of the Provost, Senate, Undergraduate Education.
- There is a request to elaborate on the support units in the future (that might already be planned in the next upcoming UBC).
- Are some of the support units of AA self-support and others not? RCE does receive some support from AA as well as self-support.
- Boyd reiterated that she had told people to provide short summaries and spend more time asking questions. She hoped people would log their questions on chat so that future meetings could be informed by them.
- Congratulations were offered on mitigating the structural deficits AA has struggled with in the past. What steps were taken to leave us with an ongoing reserve? Larson noted that we worked hard at UBC and with PAC. He thought there had been a good job of engaging people in a consultative process about ways to change the spending profile. We created room so that we were going into 20-21 with the possibility of discussing strategic directions for which we would want to invest.

7. [University Advancement & Foundation Update \(Ahmad Boura\)](#) [1:34:31-1:39:16]

[Slide 2]

Boura wanted to share the Advances made in the University Advancement and the University Foundation.

- The good news is that they have won two International CASE Awards in 11 categories across the globe . Ashley Gebb won the bronze award for her profile writing in the Chico Statements. We also won the Platinum Award, the highest honor possible, won by Jason Halley for his excellence in photography. They continue to share our story and put Chico State on the map.
- Fundraising efforts this year despite all the challenges our team was able to secure over \$12.9M from 47 states, 5 countries, one district and one territory in the past twelve months.
- Our Capital Campaign has reached \$91.626,!17
- Our fund raising team and the University Advancement division has been very creative to keep our benefactors involved and share our story so that we are sure we are on their investment list.

[Slide 3]

The Foundation Board met last week and they continue to be true to the mission to support the strategic plan by raising and distributing funds to support the growth and excellence of the University

- The Board allocated \$300,000 to support technology and the Go Virtual summer institute, classroom technology, and general technology needs
- They have supported two new outstanding faculty awards (of \$2500) and increasing 6 of the older awards by \$1,000 each (spending \$11,000 in total)
- The Board is excited to be part of campus successes and work with alumni, parents and friends who care about the academic mission.

**8. Other (if possible please submit questions in advance to [academicssenate@csuchico.edu](mailto:academicssenate@csuchico.edu))**

[1:39:16-2:06:12]

Boyd thanked everyone for this very special summer UBC meeting. There was lots of work behind the scenes to make this happen and it was very timely considering all the insecurities in the world.

There was concern that recruitment could overawe the other work of Enrollment Management including retention. Where are we losing students? Jerry Ross said we are seeing new students enroll but our target numbers were lower this year. A lag year impacts the years following as students move through their courses. There were policy changes to support students last spring including grading considerations and a reduction in small dollar fees, Success in retaining students is everyone's job in the University.

Parsons-Ellis spoke to the broader Student Affairs activity to enroll and retain students. The Registrar's Office tracks when we lose students and sends out a weekly report of who we lost and the reasons we did. She said we did not lose many of students because of COVID-19, but the reasons seem more consistent over the past few years. We seem to be attracting interest, but life is intervening. Student Affairs is partnering with Academic Affairs to keep engaging students throughout their careers to keep learning, to join peer mentoring programs, live chat for meetings and other activities.

Hutchinson thanked everyone on the call. At ne point there were 224 people on the call and this underlines how virtual meetings enhance shared governance and transparency. There will be a Town Hall meeting soon and we will discuss what we are doing to engage students and keep them engaged throughout the Fall. She wanted to give kudos to Enrollment management for the exceptional job they are doing to keep us so clos o target. She wanted to remind everyone that enrolment is everyone's responsibilities to keep them engaged and think of new out of the box to increase enrollment and retention.

At the Town Hall we will be speaking about these issues but also about what a virtual Fall looks like and ways that we can situate ourselves as a modern University far into the future.

Boura said there will be a fuller report of Advancement activities at the Town Hall next week.

Sherman noted that model 2.5 is new and conversations are still premature.

Could anyone elaborate on the CO efforts to gain political support for the CSU and ways we might support these efforts. Hutchinson said that federal and state advocacy by he CO can be augmented by the unions and others and she would be happy to have such conversations and carry ideas up to the CO. Sherman noted the Chancellor White was in Washington DC informing people about all the steps it would take have students come back to school in the Fall and the importance of protecting the health and well-being of students, faculty and staff.. Hutchinson said that the Chancellor appears in the Chronicle of Higher Education writing about the same topic.

There was another question in the chat: Will there be any lay-offs in Chico? What would be things that our campus would need to recognize to move that way? Sherman thought that of course we need to think about it, but it would not be a first, second or third option. All the labor contracts call for such a process to be very open and there are many actions that must happen before such a contingency unfolds.

Temporary employees have a limited assignment. When their end date is up and it is not renewed, that is not considered a lay-off. There is wide variation between different unions and the causes for dismissal vary and the types of appointments do as well

Boyd thank Ferrari for setting up this summer meetings and Jed Wyrick as past Chair for promoting UBC meetings and Cabinet for their engagement

She hoped anyone with UBC questions to emails the m to the Senate Office.

## **9. Announcements**

none

## **10. Adjourn [2:06:12]**

Meeting adjourned at 3:58 p.m.

Respectfully submitted,  
Tim Sistrunk, Secretary

### **General Resources for Background:**

**State of California, Department of Finance:**

**[http://www.dof.ca.gov/HTML/BUD\\_DOCS/Bud\\_link.htm](http://www.dof.ca.gov/HTML/BUD_DOCS/Bud_link.htm)**

**State of California. Legislative Analyst's Office: <http://www.lao.ca.gov/>**

**CSU System: <http://www.calstate.edu/budget/>**

**CSU, Chico: <http://www.csuchico.edu/vpaa/planning/resourceallocation/index.shtml>**

**CSU, Chico: <http://www.csuchico.edu/bud/budgetplans/index.shtml>**

**OpenGov: <https://csuchicoca.opengov.com>**