

California State University, Chico
Academic Senate
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MEMORANDUM

UNIVERSITY BUDGET COMMITTEE MINUTES

October 30, 2020, 8:00-10:00, ZOOM

Boyd wished everyone a good morning as she began to admit people to the ZOOM meeting. [02:25-7:45]

She explained that the list of members provided in the welcome screen was based on the older EM and some titles may not be the most current though the roles are parallel. She encouraged people to label themselves in the participants list as guests or members of the UBC. The procedure for using the chat was also enclosed in the chat.

She thanked Paiva (Vice Chair) for admitting people and monitoring the waiting room. The meeting was called to order at 8:04. Boyd shared the updated agenda.

1. Approve Minutes of [September 11, 2020](#) [7:45-9:16]

Approval was deferred until the next meeting in December.

2. Approve Agenda [9:20-9:37]

Agenda was approved.

3. Opening remarks – Hutchinson & Boyd [9:45-16:45]

Hutchinson gave a few university updates:

- The North Complex Fire is almost contained. The University is housing firefighters in charge of mop-up operations in both Shasta and Lassen halls
- COVID-19 monitoring is following county measures as we move from tier four to tier three and we are working hard to interpret what this means to the campus itself.
- She wanted to give her acknowledgment and gratitude to all the faculty and staff for their hard work and persistence in giving as much instruction and support as we can in the virtual environment.
- She also wanted to acknowledge the perseverance of our students as they are doing a fantastic job engaging with faculty and staff and their courses material online.
- The Chancellor said that we will be primarily virtual in the spring. We will continue to work on identifying connectivity desserts for everyone so that we all have the software and hardware and internet connections needed. She encouraged anyone still experiencing such problems to contact her and the Cabinet and others to get assistance.
- She pointed out the UBC meetings were an important expression of shared governance. We are come together to discuss aspects of the coming year but also thinking about budget planning three to five years out. She noted that no one has to wait for information

from these meetings only. Information from today is online through the University Budget Office, or in the divisions themselves. On the [University Budget Office](#) page there is a link on the left “Transparency and Reporting” and [Opengov.com](#) is another resource.

- We will be predominately virtual in the Spring and perhaps into the next Fall. She recognized that this has been tough on everyone. The fantastic work has been showing up in our budget planning, tightening our belts and promoting enrollment and this will be seen in our planning today. The the use of reserves this year will position us very well for what we expect to be another tough economic year in the next academic year.

Boyd recognized the Cabinet, the AVPs and the budget directors for their efforts to share information as she noted the community is receiving a clearer picture of the budget this year despite the extra work and an extra UBC meeting. She said this speaks to the importance of budgetary transparency at our university and the commitment to it, and she was grateful.

4. [Enrollment Update](#) — Ross [16:46-28:26]

Jerry Ross (Associate Vice-President of Enrollment Management) said that one of his goals was greater transparency around our enrollment picture as well as our enrollment planning knot the future,

[Slide 1] We are now passed [Census for Fall 2020](#) and this is an update on these numbers. As noted before, we started this application period significantly down: -18% overall, almost -23% first-time freshmen

We recovered somewhat through the admission cycle. Our intent to enroll numbers were down but not so drastically and our overall enrollment numbers reflected this. The final enrollment numbers total was 4,332, and first-time freshmen 2,316 and 1,490 for new-transfer students. Although these numbers were down, we ended up above our targets set back in February.

From a budgetary standpoint we exceeded the number we planned for, but it is a cause for concern that our enrollment has trended down this year and last year. We should be proud that we slightly increased the number of first-time freshmen who are first generation. We increased the number and enrollment of people who identify as Hispanic. Unfortunately, our yield-rate for first-time freshmen continues to slide lower and this will be an area of effort we will need to engage to help us meet our enrollment and target

For first-generation transfer students the number who are first-time freshmen is up as with those who identify as Hispanic, though the yield-rate is relatively flat.

From our service area, our first-time freshmen remained comparable but with our transfer students from our service area. We are focusing on working with our partners in our service area to insure we are meeting the needs of our area.

[Slide 2] We are also working through the Spring Application Cycle as of October 26.

As we expected our “intents to enroll” are lower than we hoped probably because of impacts on our community college partners. Our applications numbers are lower though we are still admitting students here and there. We are trying to admit every student who is eligible and there are still a couple of weeks before this deadline falls. Graduate numbers have been included though it is a little early for a full picture. International students will be a challenge for all classifications during this period.

We are not ready to share Fall 2021 numbers as many things can change. Our deadline is December 4, and we are working to be as innovative as possible in recruiting during this difficult time. We have transformed our Preview Day in the Fall from a one day in person event to a more than two week virtual event that really highlights our academic partners on campus and the various opportunities for students once they are here.

We are starting the process for our next Strategic Enrollment Plan. This process started in the summer with conversations with the Cabinet and some of our other partners on campus. A Steering Committee was launched last week and we are adding a few faculty to the membership. We will also start to populate a series of working groups with more specific focus. The campus community will be engaged through a series of town halls. This is an important, but it will be a very thoughtful process going forward. We hope to have something finalized by May of 21. This is ambitious, but we will emphasize that we need to do the job well.

Some questions were raised:

- Sherman wanted to note that Jerry Ross came to Chico in the middle of our pandemic shutdown and could not meet with all of us face to face, but he has done so well being incorporated into the community. Jerry Ross thanked everyone for the welcoming culture of Chico that has made this transition possible.
- Paiva asked if the Fall 21 deadline would be extended beyond December 4. Jerry Ross said we have limited flexibility about extending deadlines since many of these are set by the CO. There has been conversation about extensions because of the wildfires or for just a few days to the next Monday (since Friday deadlines don't always work that well). He would love to extend this significantly later
Hutchinson said she would speak to the Chancellor about helping us out a little.

5. **Discussion**: future multi-year budget outlook, including reserve spending, hiring chill – Sherman [28:31-57:36]

[Slide 1] Sherman wanted to expand on things she could not at the last UBC meeting as we ran out of time.

[Slide 2] Sherman introduced a graphic model of financial planning (the plumb-bob model).

1. This is to help think about multi-year planning horizons:

- A 6-month out horizon.
In the summer, this was through the year end in December. Ince we are almost there, now we are looking at our June timeframe (the end of the academic year)
- An 18-month
- 3-5 year timeframe

2. This will help us plan to use our reserves for economic uncertainty. These are certainly uncertain times and our ability to look forward and make 3. assessments according to our strategic plan will let us think about our 4. infrastructure and about our needs from a 5. university-wide standpoint. There are some things that are central and underlie all of our essential operations. These can help thinking about overall cost cutting and 6. actions that might be more division specific.

[Slide 3] Sherman noted that Jeni Kitchell and many others have been working for the last year on Budget Process Enhancements. She will discuss some of these as they set us up for better decision making in the future:

- Now there are three-year actuals. These previous actuals will allow us to do comparison to current and future forecasts
- We have been doing quarterly budget reviews to assess accuracy of spending plans and discuss modifications that might be needed as we respond to our actual expenses. Staying on top of this quarter to quarter has allowed us to be responsive to any thing that has come up and modify well in advance of a year-end surprise
- All-funds reviews mean we are not just looking at the operational or general funds moneys that we get from the state or tuition. We need to highlight and use or funds that are permissible spending by source. She recalled that we have spoken about the different colors of money we receive (are they grants, from the foundation, one-time allocations, etc). These reviews are important because each dollar we are able to save in our general fund insures that we have reserves for the future.
- This year we are realigning our budget planning cycle with Academic Affairs' planning cycle. Because of the significant difference in the timeframe required for planning, it is often true that Academic Affairs must make strong decisions months before our budget allocation is known. This means we are sometimes hoping that we have good financial

resources available to insure that we can deliver the classes. This year Sherman is trying to realign things a little so that we can at least have some provisional budgets.

- We are also looking at position management tied to our allocations within CSU Chico. This assesses the impact of our hiring and particularly during our hiring chill. This will also add to our prudent decisions about hiring and how we cover the work.
- Prudent planning of reserve spending includes the 3-5 year outcomes mentioned above.
- We are starting initial steps toward multi-year budgeting as we think about how to plan in advance so that we can see what is coming in regard to our buildings. What do we foresee about our economic forecast a macro-level. What do we expect of the demographics of our work force and what we might predict in regard to retirements, turnover, or the need for additional changed positions, as our strategic plan becomes reality.

Sherman asked for questions:

- Sistrunk hoped that thoughts about within group budget allocation included moving the highly skilled and important lecturer population into the tenure-track which is cost effective in so many ways

[Slide 4] This slide shows some of the initial results that have come about from these efforts.

- The quarterly budget reviews have been productive and collaborative discussions. They provide a regular form of feedback
- The recent Q1 reviews have given us indicators of the due diligence across the campus and we should be proud of our efforts to hit our 25% targets. Each quarter, we would expect to spend about 25% of our budget and as will be seen below. We have been very good at hitting this target. It also shows as we look back that the stability of our actual spend has been very stable.
- Our personnel costs are key drivers of spending (80+%). Each decision that we make has a strong impact on questions about how many people we still have with us.
- We are becoming more adept at selecting the best funding source for our projects. She said the first question a manager should ask when considering a project is what funds can they tap that are not general fund dollars? Different funding sources have different restrictions on them, but to go to these first helps us maintain our operating expenses at the base level in the long run
- Investment funding that will prepare Chico State for a successful future has been identified and will be awarded according to strategic planning priorities. There will be opportunity to brain-storm about what might be good projects to help us in the future.
- After the Q2 reviews and the Governor's budget proposal (late January early February) we will begin provisional budgets for all the divisions. This will be a key way we will align the budget cycle with the academic planning cycle. Academic plans for programs start in March (if not sooner) and we do not get our allocation from the state or CSU until

July or August, it makes Academic Affairs academic planning very difficult. We will try to shift budgets and provide some preliminary planning to about 4-5 months earlier. We want to have more stable and helpful ideas about enrollment when we start to plan the allocations. A three year look back will enable us to be more comprehensive and stable.

- The reserve accounts and prudent management have enabled us to manage our workforce during the pandemic without the layoffs required by some other CSU's.. We have used our reserves wisely but we have also remained mindful that we have an impact on our wider county community.

[Slide 5] These Planning Guidelines were mentioned at the last UBC meeting and have been in place since early April.

As we think about decisions regarding employment and personnel, decision-makers keep the following guidelines as our touchpoints:

1. We must remain good stewards of the public trust and make wise fiduciary decisions.
2. We will work to mitigate negative outcomes for our current employees. This has happened as we have sought to reassign employees and trying to assure that we bring people back to work as soon as possible when they are unable to work at home.
3. We recognize that staffing decisions are difficult for both the decision-makers and the entire circle of those directly affected. It may be more than the individual impacted but co-workers and the relationships they have established over many years.
4. The Collective Bargaining Agreements, in addition to federal and state labor regulations, mandate specific processes for personnel actions, many of which require long lead times and can result in placements that are challenging for all parties.
5. Necessity is the mother of invention, and creative structural changes, particularly in light of extended work-at-home methodologies, may be of great benefit in modifying traditional staffing expectations and may enable us to keep every employee until natural attrition creates needed reductions. New technology like docuSign and other programs may allow us to cut down on paperwork and become more efficient.

[Slide 6] Looking Ahead the three major uncertainties remain:

- The impacts of COVID-19. How will buildings and space accessibility change. How many more waves of the disease are ahead of us.
- This has an impact on the economic conditions of California. What will the impact of the election be and will there be a second stimulus from the federal government
- Multiple factors effecting enrollment

There should be no uncertainty with regard to our commitments to each other:

- Remain focused on our mission and vision and service to students, employees and communities of the North State.
- Timely and transparent communication about fiscal challenges

- We will balance short, medium and long-term objectives in planning so that we do not take knee-jerk action that will inhibit us in the future
- Every employee should stay aware of the economic news and remain alert to the impact it may have on Chico State and seek ways to do their work more efficiently
- Embrace opportunities that present themselves and remember that everyone is struggling.

The Cabinet hopes to remain transparent to help mitigate stress and help us remain focused on the work that we have and the mission that we serve.

Sherman offered to answer questions:

- Ford asked what the alternatives are for labor reductions if the budget demands it. The CO said we must look at layoffs and furloughs. Sherman said that our campus has no ability to make a decision with regard to furloughs since they must be negotiated at the system level. As far as lay-offs and early exit programs that some of the other CSUs have engaged in, of course we should be contemplating these. The real question is how do we identify what would be a trigger to necessitate these. By using our reserves and observing the hiring chill, we have not had to have lay-offs.

We do not know what will happen with the state allocation or enrollment, so we always have to keep these possibilities in mind. She said about 8 campuses have had to issue lay-off notices, but their reserves are not as healthy as ours, or there have been significant enrollment decreases. Lay-off notices are only the beginning of efforts to meet the circumstances and many things can happen to change what actually happens to employees. 8-9 campuses have offered early retirement programs to mitigate the need for lay-offs.

- Ferrari wondered if the system decides to impose furloughs could a campus in better shape decline to implement these. Sherman said she would find out.
- Paiva asked if we knew how many work study positions have been impacted on campus for our students. Sherman said the pandemic has not affected our budget for this as it comes from the federal government. We are actually having a hard time finding enough students to take these federal moneys. We have inquired about ways to transform work study money into financial aid and it has not worked. Sometimes the face to face jobs have disappeared or students are just not interested at this time.
- Sistrunk noted that talk of furloughs was premature and if it happened to CFA faculty, everyone would be asked to vote across the system.
- Has there been discussion about supporting students who cannot access work study because they are not eligible for federal funds or other issues. Sherman noted that beside the CARES Act moneys that University dedicated almost half a million dollars to students who were not eligible for these funds. This included international students,

undocumented students, and students who were exclusively online. There are still state financed options as there always is and there is outreach to students to let them know about these possibilities.

6. Division Updates – Vice Presidents [57:37-2:10:27]

[Slide 2] Jeni Kitchell (AVP Budget and Operations) spotlighted the Overall Funding Allocations of the 2020-21 Campus Budget Plan. The overall plan is at \$231M which is a change from \$240M last year. The details of the budget can be found in the Transparency and Reporting tab on the University Budget website.

[Slide 3] We worked this month to make a more comprehensive budget plan (in Open gov.com) which includes Salaries, Benefits, Technology, Utilities, etc. This is a more complete picture so that the total budget in the campus budget plan is \$248M. She turned it over to Boura to describe the \$6M in University Advancement.

i. University Advancement

[Slide 2] Boura gave an overview of the organization of University Advancement with five offices supporting its mission: Alumni and Parents Engagement, University Public Engagement, University Communications, Development and Advancement Services.

[Slide 3] He began with Alumni and Parents Engagement and some of the outreach they do. The virtual Alumni and Family Weekend of October 9-10 was a tremendous success as 8,510 attended from across the University and community. They showcased the Gateway Science Museum and Wildcat Connect Webinars, and partnered with EDEX Chico, as well as offering students panels to attend. They showcased our buildings and the new Natural Science Building and [Slide 4] the University Farm.

[Slide 5] shows the registration numbers to various events which includes the tasting, the Museum of Anthropology 50th Anniversary celebration and the very popular EDEX Chico. The numbers show that many people across varied age groups attended and found the events relevant to them.

[Slide 6] the Alumni Engagement Office has webinars coming up in November about Retirement Income and the Career Center Series. [Slide 7] They promote the Virtual Chico Voices Series which shines a light on our local artists performing in Laxson Auditorium. [Slide 8] With funding from the California Arts Council the field trip series for elementary aged students has shifted to virtual fieldtrips at home with arts and entertainment for over 17,000 elementary kids with access the national and international performing artists. Parents and teachers may access study guides and support material.

[Slide 9] University Communications continues to leverage all types of communication to promote and share our success stories and elevate the academic reputation as well as highlight our outstanding students, faculty and staff at the local, regional and national level.
[Slide 10]

[Slide 11] The Transform Tomorrow capital campaign is still on target to raise over \$100M by June 30, 2021. [Slide 12] As of October 30 for our 20-21 fiscal year campaign we have raised \$2,655,552.

[Slide 13] The Tower Society shows how our benefactors continue to believe in the mission of Chico State and the educational opportunities we provide to our students. Since July 1, the 140 members of the society have committed \$1.9M. Last year these same people committed to a little over \$1M. This tells us that our people continue to increase their giving despite the pandemic.

There are challenges. The number of donors is down from last year as people are concerned about what the future looks like. We have lost four development officers in the office as well. Historically speaking, the cost for raising a dollar at Chico is 16 cents. For every dollar we receive in development, we bring six back and thus the loss of our staff means we have lost approximately \$2M. Our development team continues to work hard to keep people connected so they feel that their investment is worthwhile.

Our budget is \$5.4M and we have spent 17% of our budget as of today and we feel comfortable that we will meet our obligation to stay on budget.

Sherman asked if people were taking advantage of Foundation funds enough for their projects and whether he would highlight the successes and possibilities.

Boura noted that we need to look at the revenue that can help alleviate stress on the state dollars. Within the Foundation there are different buckets of money. The annual fund accounts work with the colleges and departments to make money for

their programs. This money is available for Department Chairs and faculty to leverage to support student activities on campus, and research.

The Governor's Award Program is a partnership with the Foundation, the Provost's Office and the VP of Student Affairs takes proposals that come through the Divisions for up to \$15,000 a proposal. On an annual basis they provide up to \$150,000 that strategically support their colleges. It is one-time money for projects that might not be possible without it. The Foundation supports Senate through awards for outstanding faculty. The Foundation Board has also given money to support technology during the pandemic. (Some \$300,000 supported Go Virtual)

The Foundation also distributes funds to support student scholarship and has given some \$8M away in the last 8 years. This has meant over 7,000 students have received scholarships from the Foundation.

Austin Lopic asked what the cost comparison was between running a face to face event and a virtual Event and how does participation increased or decrease. Boura answered that we are in a survival mode and not in a thriving mode. We received a lot of feedback for our patrons before we launched our virtual services. Obviously, the costs are less. We are focusing on local performers from Chico and the North state to support them. In early performances we had about 131 where we averaged around 200 in face to face. Depending on the artist we might have 100 to 600 people.

ii. **Student Affairs**

[Slide 1] Parsons-Ellis explained that the hit to her division allocation was about \$2M. This necessitated making cuts to most departments of about 20% to their operating expenses. Another \$1M is being recovered from salary savings from the hiring chill.

The cuts made to departments depended on their capacity and the types of services they are providing right now. For example, the Accessibility Resource center is not driving the cart

and there are not in person note takers. Other areas are gearing up like OATs (for technology support) or Student Life and Leadership which is driving our student engagement efforts.

We will spend about \$1M in reserves this year. We made the decision to redeploy nine staff from housing into other positions to save jobs and our talent, and preserve the experience that is going to be necessary to repopulate housing hopefully sooner than later.

iii. Business & Finance

[Slide 1] Sherman gave a shout out to her teams which has been the backbone of the EOC for the past seven months. They have worked on leadership coordination; health and safety; the updates about wayfinding and notices; approvals for returning to campus; FMS and custodial, grounds and skilled services team that kept things clean and organized and safe and secure; the CARES Act financial management team; a huge amount of work from financial services and especially student financial services; HR team dealing with employee leaves; Risk management; and the shipping and receiving team. These folks have been a backbone for the campus and she wanted to publicly acknowledge them.

The Housing custodial team and the grounds and skilled trades moved from the Housing group into FMS.

This ensured us multiple types of savings, we were able to reassign and utilize our personnel, and create

records processes across the campus as well as refine our procurement processes. This meant we do not

have two separate groups making two separate decisions about inconsequential issues but can instead get

group savings through bulk purchasing.

This has been a significant amount of work to think of all the

impacts, fiscal and organizational, of these changes. Now that we are fully virtual-what are the

implications for keeping people fully employed.

Thinking about the financial infrastructure across the campus has allowed us to find cost savings through

our energy management. For the last year and a half or more we have looked at our KB infrastructure

which allows us to bring energy onto the campus. In significant work our Boiler Chiller Plant

professionals (who maintain the temperature of the buildings across campus) have developed energy management efforts that have allowed us to save about \$160,000.

In a similar fashion, the AS recycling team was renting a warehouse and now FMS and Business and Finance will support these recycling efforts. This will save AS money and hopefully increase our diversion rates in regard to recycling and sustainability and be more efficient in how recycling is handled in our offices when we return to campus, and well as the public waste spaces outside on our grounds.

The biggest impacts we have seen in the last year are in our process improvements. All the Business and Finance cabinet had goals about process in their respective units and we have seen dramatic Improvements:

- Concur travel and expense is live across campus.
- The procurement team has exceeded savings projections in the last year.
- Payroll work with the state controller's office is working on efficiency and an end to paper processes
- UPD has implemented some changes in system-wide policies and procedures
- The student financial services team is communicating with students via text and did all the work to insure that our CARES Act funding was distributed.

Collectively, we are all working to insure the safety and security of everyone on campus. We are right at 25% for our budget outcome this quarter. We have gotten to provide an example to the campus by high-lighting the talent of our people.

Questions were raised:

- Dizard asked whether alternative energy generation was being considered on campus like rooftop solar panels. Sherman said we did four solar projects this summer that included planning and implementation and she asked Mike Guzzi (AVP Facilities Management and Services) to give more of a status update.

Mike Guzzi aid the plans were in place, though there are a few snags to workout. Four projects are in the works:

- 1) Solar on the new Science building
- 2) Solar on the BMU
- 3) Solar on the WREC

4) Finish the project not completed on the Parking Garage.

These projects will be installed over the next several months. Phase two of the Solar plans will include solar energy at the Farm with the goal of making the Farm self-sufficient. Phase three will look at our campus rooftops. Our campus is fairly old, and we have been examining the structural stability of our roofs. For example, Meriam Library should be peppered with panels, but we need to make sure the structure is ready. This is all part of our greenhouse gas reduction plans.

- Paiva asked where housing custodial was previously organized. Did this change the positions to be represented positions? Sherman noted that Housing is not an auxiliary, it is a self-support unit. Housing must generate its own support, but all of the employees are state employees. As they moved into FMS they maintained the same status and employment relationship. Housing is now paying FMS a comparable fee to handle this for them.

iv. Academic Affairs

Larson said that she will try to answer questions that she has heard in the last weeks related to specific aspects of the budget of Academic Affairs and the bulk of the presentation will focus on Informational Resources (IRES).

[Slide 2] This references the website on which Academic Affairs budget allocation and financial information including the ABC model can be accessed (<https://www.csuchico.edu/vpaa/bar/resource-alloaction/index.shtml>) The AA Planned Sources/Uses reports for three years are here and the Business and Finance standardized budget report as well.

Originally, the division received a reduction of \$17M. A Chico institutional reinvestment gave us \$3.8M. A PERS adjustment to the negative we will be forthcoming and so we will take a cut of \$14,33M. Because we already made great changes our spending patterns and strengthened our reserves, we are now using those reserves to mitigate our cut by \$9.5M and \$4.8M in a reduction of operating expenses.

For the first quarter spending, we are at 23% of our all funds fiscal in terms of spending and 27% in terms of base budget spending. We are doing quite well in our fiscal management.
in higher education. We need to get ready for a more negative position for us in the future.

[Slide 3] Larson said she challenged every major unit in the division to consider how to reduce their spending another 5%. If we look back at other recessions in education the first year is not as severe but the next year and likely the one after that are to our budgets. This is national data about how others are looking at 21-22.

[Slide 4] This is the context for this charge to think about reducing expenses 5% more across the division. Larson said she is a firm believer in planning and taking the risk to try to project what lower budgets might look like so we can begin our proactive preparation work in order to adapt more easily.

Larson observed that many are aware that Chico State hired a consultant to help us think about our information technology infrastructure. Post COVID, the role of technology in higher education is going to be as important as physical infrastructure. Our ability to connect, serve, and compete will be facilitated by having a more advanced understanding of the role of technology. We have an excellent department of IRES that has been providing super technology services and while the consultants were here many expressed their wishes to understand the IRES budget more fully.

[Slide 5] So, she introduced Mike Schilling, the Vice Provost for Information Resources and the Campus Information Officer (CIO) to discuss the IRES financial situation.

Mike Schilling said he would cover IRES' financial circumstances and other information and hoped questions would be raised during his remarks. He wanted to say that the IRES staff is an extremely hard-working group of people and although they are one-shift of staff, they have covered three shifts of work seven days a week minimizing many external security threats and providing service to faculty, students, and staff.

He wanted to give a sense of the organization of the unit, an overview, the financials, and the important task IRES fulfills of managing licensing and maintenance agreements of software, and finally he said they shared the unit portfolios of all the units for our information.

[Slide 6] Michael Schilling observed that there are eight groups in the Organization: Creative Media and Technology; Computing and Communication Services; The People Soft Group, Development and Maintenance, and the Blackboard group and supporting components; Administrative Service Center; Information Security and Identity Management; IT Support Services; a small Project Management team; and finally Institutional Research, Data Services, and the Testing Office.

[Slide 7] In 19/20 the combined budget of 10 departments and 18 funds was \$15.4M and in 20/21 that was down to \$14.8M. This appears to be trending down in the future. Teresa Miller is examining the impacts of the 20/21 budget, and Any Miller is looking at the 21/22 possibilities and the planning associated with that. They have spelled out the impacts on MPP staff, career staff and student staff.

[Slide 8] The budget structure that is fairly typical of any University IT group is broken down into three primary areas (although there are some smaller ones):

1) Cost Recovery

This supports the whole campus for services, data, networking, internet services, wireless, and the MFP copier program

2) Enterprise Allocation

This budget supports People Soft, the majority of the Security services, the data warehouse, and Identity Management

3) Academic Affairs Allocation

The rest of the funding from AA supports the balance of the IRES units

Each of these groups is responsible for licensing and maintenance.

[Slide 9] shows the majority of efforts not included in the IRES budget. These represent the rest of the total cost of technology on campus. Michael Schilling noted that he was involved in trying to extend IRES support services where they were needed (like college IT help). The Enterprise group and all of the Centers are now covered by IRES.

[Slide 10] This slide shows more detail on all of the funding and then sources. If one excludes the first two lines the rest make up the make up the \$15.4M budget that IRES has. This is the result of work with Jennifer Mays (Executive Director of Budget and Academic Resources in Academic Affairs) and Jeni Kitchell to designate income and expenses.

Questions were raised:

- Paiva asked about Slide 7 which designates the 19/20 combined budget as \$15.4M. was this proposed or actual expended budget. Michael Schilling said this was the approved budget of the organization. He added that the expended budget tracks fairly close. The reason for this IRES is responsible for significant investments in hardware which are drawn solely from salary savings from the organization which is almost entirely spent.
- Paiva asked if in the same slide the decline in student staff in 20/21 was because we do not have the money anymore. Michael Schilling said this is because of planning to meet to budget deficit.
- Ford asked about Slide 10. What does Miscellaneous Trust mean and what is Cost Recovery? Michael Schilling said he would send an answer to Ford and copy Boyd about these.
- Ford noted that then total Income was \$18M and the costs were \$15.4 M what happens to the difference? Michael Schilling answered that the encumbered balances from the prior year carry forward. An encumbered reserve balance is one-time funding that transfers for projects. He said he would send more explanation to Ford and Boyd next week.

Michael Schilling wanted to share briefly all the contracts that are found on [Slides 12-14].

[Slide 15] This slide represents the licensing and historical cost increases over the past several years. A majority of this money is funded through the Enterprise budget, Business and Finance and the Provost's Office at times. For the last several years IRES has had to fund these with one-time moneys just to keep the contracts going. These issues will be critical in terms of sustaining the IRES organization into the future. The campus will need to that a serious look at how these will be funded.

[Slide 16] This is an important list of services. When the budget is increased, there are more of these services and vice versa.

The next ten slides or so, lay out all the services.

Questions were raised:

- Ferrari asked about Slides 15 and 10. She sees the overall budget for licensing and maintenance. Does the \$2.4M for licensing come from different funds? Michael Schilling said that these expenses account for about 20-21% of IRES's total spend. He said each of the three funding sources mentioned above bare a portion of the licensing and maintenance agreements. They are aggregated in one list for simplicity, but they are actually spread across three areas of funding.
- Allen wondered about Slide 16 (and its relation to Slide 22) and the unfilled position on the org. chart. It seems like organizational effectiveness might come under the job title of the Vice Provost. She wondered what the intent for the position was.

Michael Schilling explained that that was one of the positions IRES did not fill. He explained that most IT departments use EDUCAUS and a series of surveys and this just happens to be the term they use for information technology. He said they are considering using institutional research to conduct these surveys if they cannot backfill the position. IRES understands that these surveys are critical to planning for the future.

- Dizard asked Larson about the 5% memo she sent to Academic Affairs. He said he shared her rejection of best case scenarios for planning. He wondered if 5% would be sufficient given the potential that her national data shows that subsequent years could be so financially exigent.

Larson said she is anticipating a cut similar to what we had this year. We will also have \$10-11M in rollover and reserves that will help us through next year. She said she is trying to balance serving the mission and the necessity to use reserves. 5% seems reasonable in optimizing our curriculum. She explained that AA had gone through a more stringent exercise earlier in the year, but it had not been very meaningful.

7. Q & A (if possible please submit questions in advance to academicsenate@csuchico.edu)
[2:10:27-2:11:12]

Boyd thought there was time for one general question if anyone had one. She asked people to send her questions if they had them in an email and she would forward them to the committee. It can take time to absorb the information and people may seek clarification.

8. Other [2:11:12-2:15:24]

Hutchinson had a closing remark and an announcement. She thanked her Cabinet colleagues, the Vice Presidents and their staffs because she thought the presentations today were absolutely fantastic. They were substantive, conversations today were thoughtful and very constructive. She thanked everyone for the questions and comments.

We have all worked hard to make our budgeting transparent and we are much more data informed about our budget planning which is excellent. We have improved so many of our

accounting practices not only at the division levels but all the way down to the department levels. We have also done a better job of improving our spending practices. We have become more thrifty and lost the bad habit of spending out of our reserves so that they were depleted quickly. Our critical times have shown us why we need to be fiscally conservative.

Hutchinson added that November 8 will be the second anniversary of the Camp Fire and our campus is a dedicated partner of the long term recovery of our ridge communities. November 8 this year is a Sunday and we will participate with Butte County in a remembrance at 11:08am the bells of the Chico State though we are not here. There will be silence for 85 seconds.

She hoped people would remember others lost in California fires and appreciate our sense of community and humanity and resilience to continue our work together.

She thanked everyone on the call.

9. Announcements [2:15:24-2:16:00]

- Upcoming UBC Meeting: Tuesday, December 15, 2020 – 1:00-3:00 pm (Via Zoom)

9. Adjourn [2:16:03]

Meeting adjourned at 10:13 a.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://csuchicoa.opengov.com>