

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

UNIVERSITY BUDGET COMMITTEE MINUTES

March 3, 2021, 2:00-4:00, ZOOM

“The charge to the Committee is to meet regularly to review the relationship of academic programs and campus budget; to provide timely participation by faculty and students in budget processes; to propose broad strategies for adjusting the academic programs and budget to one another; and to review the effects of their implementation before adoption by the University.” – [Executive Memorandum 05-017](#)

Boyd wished everyone a good morning as she began to admit people to the ZOOM meeting. [00:34-1:47]

She encouraged people to label themselves in the participants list as guests or members of the UBC. The procedure for guests to use the chat to ask questions was explained.

The meeting was called to order at 2:03.

1. Approve Minutes of [December 15, 2020](#) [1:47-4:07]

Sherman suggested an editorial correction to her comments on Slide 3 line 2, change :”She did not want to add to anyone’s workload” to “She was trying to avoid overburdening anyone” because she actually did add to some people’s work.

Amended Minutes Approved.

2. Approve Agenda [4:08-4:38]

Agenda Approved.

3. Opening remarks – Hutchinson & Boyd [4:39-12:25]

- **[Budget Cycle](#)**

Hutchinson began by noting that the Annual Giving Day that occurred on March 2 was the best 24-hour period of giving we have ever had as we raised over \$400,000 from 2200 donors. She thanked everyone for their generosity and support of our students and Chico State. This comes on the heels of the news that our Capital Campaign: Transform Tomorrow, the Campaign for Chico State, earned over \$100M to achieve the goal of our capital 6 months early. She remarked that our culture of caring is expanding to include the culture of philanthropy.

She thanked everyone for their work in preparing this meeting and began with the overview of the budget cycle to explain how our UBC meetings fit into it.

[Slide 2] shows how the Chico State Budget Cycle aligns with the State Budget Cycle [Slide 1]. From July and June, we really start to plan the Spring. Now we are into the months of February and March, April and May which is really advocacy season. The CSU, the CFA, the CSSA, the Academic Senate, friends of the university and other agencies that understand the importance of the CSU in developing the workforce of California as well as educating our students for their futures descend on the legislature to let them know the importance of the high-quality CSU education.

We feature the access and graduation initiative efforts we have furthered as we continue to try to meet the stubborn challenge we have in narrowing equity gaps. The Governor's May Revise will hopefully be better news after our advocacy work. The State Legislature will hopefully adopt this budget in June and the budget will be finalized.

[Slide 2] shows how the final budget allocation is received from the Chancellor's Office in July. In August, we prepare our campus allocations and in September, we release our allocations to the campus units. Ascertaining these allocations often takes herculean effort over the summer months. The September UBC meeting is to review the 20/21 campus budget plan and compare the 19/20 expenditures.

In November, the UBC looks at the requests that will be made by the CSU to the Governor and we begin to collect input on the 21/22 Campus Budget Plan.

Now it is March, and we will review the Governor's CSU Allocation and collect more input on the revised 21/22 Campus Budget Plan. This will take into account federal relief dollars that we may have and further CO information.

This brings us to April and May where we review the May Revise and consider its impacts on the allocations we hope to give out to campus. The UBC meetings always have specific themes that align with the State Budget Cycle for the state of California.

4. 2020/21 Mid-year [Budget Update](#) – Sherman/Corona [12:58-26:57]

[Slide 2] Sherman noted that every division does a quarterly review and they meet with Stacie Corona (AVP, Financial Services) and Sherman to review what is happening. This was important this year as we have many tentative plans in place and have remained uncertain. She was pleased to report that as of the end of December, the second quarter end, the budget indicators indicate fiscally prudent budget indicators according to our fiscal plan and we are just on target about where we expected to be half-way through year.

This slide outlines the reasons for this successful management and changes that will come in the future. Since our enrollment was higher than projected, we were able to reduce spending against our reserves. Our close budgeting may have to open up next semester as expenses rise when we return to campus and people travel more and spend more on office work and other expenses.

- We will need to try to evaluate our relatively fixed budget against these rising costs. The hiring chill has driven us to reconsider funded positions against budget. We will need to reconsider our position expectations.
- The budget review process will need to be reconsidered as far as how data is presented. We used to always combine our reserves money into our budget money, which confuses the fact that the reserve money is one-time money as opposed to the ongoing regular budget.
- We also need to evaluate the effect of the pandemic on self-support and income-based programs. What has happened to Housing, Parking, our Museums, the symphony and many other kinds of structures. We need to determine what our fixed costs will be and where have we been able to find some alternatives.

Questions were requested:

- It was pointed out that we lost intended replacement positions for tenure-track hiring and faculty would be glad to contribute to this conversation about these positions.

Sherman said that positions were not lost, we just had a hiring chill so we could determine the most essential positions we needed and determine whether these would be funded with ongoing funds, or whether we would need to make further budget reductions.

- Does this mean the faculty positions that were suspended that had money set aside for them can just be taken up?

Larson answered that we do not maintain a faculty line management system in Academic Affairs. She said the colleges were asked annually to assess their faculty needs according to enrollment growth and pedagogical needs. Her office then considers the proposals in light of what we believe we have available in terms of dollars. (This is impacted by ongoing changes like faculty in FERP or resignations, etc.).

She observed that we were able to have 12 faculty positions posted and recruited this year

- Alex Smith was recognized and asked if federal money to support students was going to continue.

Sherman reiterated that alternative means to support students would need to be considered because since there were not as many jobs on campus, federal work-study is not being expended as was planned. Her division is trying to uncover how they can translate this money in such a way that they can get it out to students in another way.

Stacie Corona added that her office has worked with the Financial Aid Office to convert some of these dollars to a program called CHUG (Chico Grant dollars). The student would not have to perform services but have their financial aid package augmented. These funds will be earmarked and can be rolled into next year.

5. **2021/22 [Budget Planning](#) – Sherman/Corona** [27:04-50:58]

[Slide 2] Sherman noted that this consideration will focus on the details of changes that have occurred against the State 2020/21 Assumptions. This is information based on the Legislative Analyst's review following the Governor's proposed draft suggestions. These are found on the Slide:

- California has had an uneven economic recovery (K-shaped recovery means some have recovered quickly whereas for others, things are still very slow or have been lost completely)
- Unemployment did not hit 25% but only 16% (this is still an historic high)
- The technology sector has led historic stock-market highs which definitely impacts California. The tech giants have received regulatory attention which might suggest they be broken up in some way.
- A 15% tax collection drop was assumed in personal income, corporate, sales tax but this is 22% higher than assumed. This gave us a little breathing space in the state and for the CSU.
- Federal stimulus programs an unemployment insurance seem to have sheltered public assistance programs so that they have been less significantly impacted than anticipated.

[Slide 3] This slide shows the Legislative Analyst's January 2021 recommendations to the Legislature.

- Restore Budget Resilience -avoid use of reserves, borrowing, repay special loan funds, and make supplemental pension payments
- Address one-time Pandemic needs
 - robust COVID response to avoid future health and economic consequences
- Begin Multi-year effort to address ongoing deficits now.

At the moment there is a \$15.5B "Surplus". We thought we would be about \$52B in the hole but we are only about \$37B.

[Slide 4] This slide shows the total 2021/22 Proposed State Expenditures including the 8.2% of the state budget for higher education (\$18.637M)

[Slide 5] The CSU asked for a base request of \$566M. This includes mandatory costs (like changes to Ethnic Studies, Health Insurance, Maintenance for new buildings, etc)

[Slide 6] \$299M of this general fund amount was restored by Governor Newsom in February 17 and will be returned as of July 1, 2021.

[Slide 7] On top of this the Governor has proposed we receive an additional \$144.5M in ongoing general fund money and some \$225M in one time money. We are grateful to Governor Newsom, the Senate President pro Tempore Akins, and Assembly Speaker Rendon. This has made a huge difference for us.

This \$144.5M includes:

- A 3% increase in Base resources for operational costs (like salary)
- Support for Basic Needs Initiative as a component of the GI 2025 Initiative
- Digital equity and mental health services for students
- A unified intersegmental learning platform between the community colleges, the UC and the CSU. There may be no common agreement about this yet.

The \$225M one-time money includes”

- Emergency assistance for students
- Professional development for online competency
- Deferred maintenance (at Chico because of our age we were recently also awarded about \$83M for this as well).

[Slide 8] This slide provides a visual view of the same information in Slide 7 above. It shows the specific buckets the Governor is particularly funding.

[Slide 9] The state has a number of expectations about how this money will be spent. These are articulated in the slide and include:

- Maintain resident undergraduate tuition and fees at current levels
- Take action to reduce significantly the Equity gaps (part of GI2025)
- Further online programs especially for those without access
- Think about workforce needs

[Slide 10] This describes some process improvements we are doing at Chico State to improve budget planning: These include:

- Multi-year trend analysis reviewing actual expenditures against our budget (through 2024)
- Align budget cycle with academic timeframe
- strategic planning of capital projects (looking at \$17M or so in campus funds)
- Provisional budgets available July 1, based on Q3. Final budgets allocated after State’s final allocation and CO
- Federal stimulus funds for resilience
- IRP and reclassification requests

- Operating Expenses disentangled from Salary and Benefits

Questions were raised:

- It was asked how the stand alone dual admissions program contemplated in Slide 9 was different than the CSU Tag program.

Sherman was unclear exactly what the state was proposing with the program and what they would require. Larson said it did sound like the Tag program, but advising will have to read deeply about what is being required to understand how to implement it.

- Can the process of disentangling expenses from and salary and benefits be further clarified? What will this mean for our decision making?

Sherman explained that benefits are not in salaries or the operating expenses. Benefits are handled centrally. Sometimes decisions about a hire can be impacted (Does the position have full benefits, half benefits, etc.). We are more interested in understanding what is included in operating expenses (like phones, travel, furniture). Since salaries are about 83% of our budget, we are not considering huge numbers, but it will allow us to start thinking about how to leverage this money for the greatest good.

Stacie Corona noted that benefits are managed at the VP level (not colleges and departments). When salaries are allocated, they are just lumped into one budget number. Disentangling this is trying to break apart salary costs from O and E moneys.

Larson said that Chico will not be impacting benefits, it is creating a more meaningful organizational scheme.

6. **Enrollment Update and Budget Implications — Ross/Corona [50:58-1:16:36]**

[Slide 2] Stacie Corona described the Enrollment Cycle, Modeling and Planning of this year's enrollment management efforts. This slide shows Chico Headcount and FTES over three time periods as a way to try to find the annualized Headcount and FTES over 2020-21. Census was completed a few weeks ago so the numbers seem pretty secure.

For today it looks like we brought in a few more students in Spring 2021 on Headcount and annualized FTES which puts us above our budgeted targets by 3-4%. We had assumed we would have over a 7% decline, but this did not occur. Sherman pointed out that these numbers show we are not drawing down on our reserves as much as we had planned. It does not mean that we have extra money hiding somewhere.

It was asked if we had longer term analysis going back three or four years. She thought it was wiser to see the long-term decline. Larson encouraged people to go to the Institutional

Research page and type in “Factbook”. This will give varied dashboards based on census Data that can reveal varied trends of interest. Stacie Corona said that her office builds its models on the latest data about three-year trends.

Jerry Ross, (AVP Enrollment Management) noted that the last couple of years there have been declining trends in enrollment of new students, but we are working to reverse these trends and at least stabilize them.

[Slide 3] shows the budget numbers of the CO funded FTES target of 15,560 and the numbers we had that were less than that that we Budgeted for our FTES = 14,500. We came in with 4431 FTES above this (or 3.04% above our budgeted number) or 14,941 but we are still losing Numbers overall.

Do we get funding from the CO based on the 15,560 funded FTES or something different? Stacie Corona said the CO does not adjust the funding. So, the point was made that we use

the 15,560 for part of the budget and then we use other numbers for tuition and other parts of the budget. Sherman noted that the CO funded target was a benefit to us because we had an agreement that we would be held harmless for two years after the Camp fire. This number may change after the next round.

[Slide 4] Fall 2021 Applications and Admits as of March 2, 2021. Jerry Ross went over were we are with new applications and transfers. We were down in applications for first-time Freshmen, and up in Transfers this meant we were down 5.13% in applications. (with Freshmen down 8.52% and transfers up 4.53%). We are pleased with the rise in Transfers.

We are down now in Admitted Students, but this is no cause for alarm. There are still a few thousand applications to go through and several thousand on the Transfer side. There is often a lag as transfers must submit Transcripts. Intent to Enroll forms continue to be accepted and that number is growing. We are trending higher year after year fortis category of applicant. These numbers do not include graduate student numbers yet as they are still accepting applicants, his office is working to include these numbers earlier.

Transfer students continue to grow even though Butte County is declining in enrollment because we have built more partnership with other CC. We will have to learn to see if our numbers reflect our digital marketing and outreach efforts. We nearly double our out-of-state Freshmen applications this cycle. His office is working to study the applicants' profiles more to learn more about applicant diversity.

[Slide 5] describes evolving “yielding efforts:

- Starting earlier
- Releasing decisions in December (used to admit in January). Now we follow up with a mailers
- Coordinate more effort with colleges -recruiting has merged more with administrative processes. More intense process.
- Building up to virtual Choose Chico
-create a track for undeclared so that advising and concern are expressed
- We have created assumptions to guide us more ambitiously

Questions were asked:

- We have you projected 21-22 headcount? It will be important to concentrate on retention of the students we have
- It was asked if we could regularly present our data with a three or four year long view which would help us conceptualize the subject matter differently
- It was asked if the growing number of students we are getting from the top 20 CC across the state are coming for distance education (has this been a impetus? Are we more accessible? Jerry Ross said there was no data to show this yet. Paiva asked if students declared a program they were interested in when they enrolled?

7. **Annual Report Business and Finance – Sherman** [1:16:45- 1:26:36]

- **Annual report**

[Slide 2] Sherman introduced the Division of Business and Finance and presented its 2019-2020 Annual Report. She said that the members of this division have been coming to campus through the year of the pandemic to make sure everyone is paid, the institution is secure and suitable for employees to utilize, along side all the support functions -the grass is cut, the lawns are watered.

- There are 11 departments in the division
- They support 60 buildings on the campus (the average age of these is 47 years)
- The operating budget for the division is almost \$32M
- There are over 301 employees
- They support 132 campus acres, 17, 019 students and 962 Staff

[Slides 3, 4, 5] she spotlighted many accomplished and important staff individuals and units from across the Division and underlined their essential work during the campus shutdown. Their work has been significant to our campus and across the CSU as well, they have saved money and energy, and have worked to create efficient and resilient, accessible systems to inform and serve employees. Units have done major preparation to make sure the campus can reopen in a safe, sanitary and transparent way. Equipment has been updated, signage has been installed and air quality and airflow have been attended to. Remote desktop support has been maintained and class-room utility and safety

verified. Professional support and human resource guidance has not failed at all. We have moved our procurement, payment, student records and many other process improvements to move away from paper!

Boyd appreciated the reminder of everything the Division has accomplished over an amazing year and all the varied way it reaches out to all of our work together

Sherman noted that the 4th was exactly one year from when the EOC was activated and many senior leaders of her team have been working tirelessly to do this work on top of their regular responsibilities to lead us through the COVID crisis.

Larson thanked Sherman for the report and said she was inspired by the example so that Academic Affairs created its own annual report to provide information as Business and Finance has done.

8. Federal Relief (HEERF): CARES and CRRSA Act – Corona [1:36:36- 1:39:20]

[Slide 2] Stacie Corina noted that there is great interest in the federal money given to the University for COVID relief.

Chico State was awarded \$21,402,802 in CARES Act funds last March 27, 2020. This was augmented by \$11,989 because we are a Minority Serving Institution. We have just about spent all of this money mostly on the students and on technology for institutional development.

On December 27, 2020 we received \$31,603,858 in CRRSA Act funds of which the same amount is designated for student emergency relief and \$21,624, 160 is for institutional relief.

Future Relief will be awarded by Congress as part of the latest American Rescue Act and it is a yet unclear how much of that will be awarded to Chico State. It has a number of up to \$40.B for higher education and might be double the amount of the \$31M we received under CRRSA.

[Slide 3] has the breakdown of the Federal Funding Categories associated with these rewards. Emergency relief is for student relief in particular. Institutional Use can be used by the institution for technology and other relief. 2/15/2022 is the deadline to spend CRRSA Act funds on Students and Institutional needs.

Stacie Corona explained that we must break down our student relief by categories based on need and full-time versus part-time status. We have students who are not eligible for federal funds (international students, undocumented) and we are trying to identify money for their

relief as well. The hope is to give a block grant award to all students which would be a less complex process than last year. She hoped we can get funds out to students by early April.

The Federal Department of Education provides new guidance about how to expend these Funds regularly. The funds were not all distributed at the same time, so some campuses received their moneys earlier than we have. Hutchinson hoped people would be patient with the University because they are working as quickly as possible.

Questions were raised:

- It appears that recent CO guidance is directing that the federal moneys can be spent on anything relative to COVID. There are other programs like EO 1110 Implementation, Early Start and EOP that would seem to be eligible. How do the varied interest groups weigh in to Cabinet deliberations about the distribution of these funds.
- Stacie Corona said that the ways student funding must be spent is a lot looser about how it will be spent than under the CARES Act. This is why we want to propose doing a block grant to all the students.
- Sherman added that we will create a two stage process for the other funds. Immediate needs will be met as soon as can be and there will be a slight delay on the second round of funding while we receive intake requests. When we tried to expend the funds all at once, we ended up with good ideas that came in later and we had already run out of our money. There will be deadlines about when we spend the money, so we will need to be timely, but there will probably be a two month break in time between the first and second round.
- The last award to students was about \$1000. What will be the range of awards given this time? Stacie Corona said that we still do not know. If one takes \$10M and divides it by the number of students, it will not be a huge number. They will try to address students with the highest need and remain fair to everyone. Sherman said the amount is about \$625 if the funds are given out to all students evenly in block grants.

9. Student Affairs [Housing Update](#) – Parsons/Huyck/Knapp [1:39:20-1:46:44]

[Slide 1] Corinne Knapp (Associate Director, University Housing) explained the slide.

Fall 2021

Reduced Occupancy

- 983 Spaces -Single Occupancy (1 person per room) at our lower double rate.
- 2nd Year/Transfer Students will live at University Village
- New Themed Community -Health and Human Services in Whitney Hall
- Application opens April 5 -Priority Lottery Period -April 5-May 1 (apply for Housing and submit Intent to Enroll)

Reduced Occupancy will be conducted as it was last Fall of 2020. This was decided in consultation with the Butte County CDC and the Wildcat Wellness Center.

The use of University Village for 2nd year students and transfer student will be expanded if the demand warrants it.

The application period for housing has been redesigned so that students enroll any time during the open period and then a lottery will select the successful applicants. This will end the disadvantages that First-generation students have experienced as they tended to enroll a day or so later and will promote equity.

COVID-19 Risk Mitigation Plans

- On campus COVID-19 testing of residents
- Quarantine and Isolation spaces designated at University Village
- Housing COVID-19 Response Team on call 24/7
- Contactless Move-In

Connie Huyck (Interim Associate Vice President for Student Affairs and Dean of Students) explained that the use of the lottery was done in the past, so this is a return to that practice.

She explained that all residents will need to arrive on campus with a negative COVID test and they will continue to participate in regular surveillance testing. There will be 104 isolation spaces maintained at University Village. The recommendation is 10% and this will put us at 11.5% set aside. There will be an administrative response team on call 24/7. The expectation is that this will be needed the first six weeks or so as students first arrive and we find out who is positive.

Move-In will be conducted over four days by appointment and will begin on a Saturday to provide a weekend move in to students and their parents.

Hutchinson asked about dining services. Connie Huyck explained that dining will be “Grab and Go” as was done this Spring. If the student is in quarantine the AS will deliver these meals to the students at University Village. The hope is that as we move into less restrictive tiers, we can offer more food services. We would love to move to in-person dining by Spring at least.

10. Q & A (if possible please submit questions in advance to academicssenate@csuchico.edu)

[1:46:44-

Boyd asked some of the questions that were submitted in advance of the meeting:

- The UBC meeting was used to announce and discuss the CIO position and the timeline of this replacement. Can Hutchinson comment more on where this timeline is now. Hutchinson said that or progress on launching an interim search and moving to a regular search were slowed down. She will consult with the Chair of EMEDC tomorrow and will have more information
- It was asked how campus personnel can make requests and share ideas about how Federal Institutional funds are expended? Sherman answered that there is currently no process for this quite yet as we received our funds later than others. We will probably develop a two set process but we are not there yet.

Boyd opened up the floor for more questions:

- Was there CARES Act money that came to campus for small businesses or pay-role protections? Sherman said that we are not eligible for this money because we have too many employees.
- The funds from the state of California and the federal funds which may be spent on technology development and to address equity issues and be used for the problems faculty are facing right now as that are under terrific stress because they do not have adequate technology at home to conduct all the complicated things that must be done for virtual instruction, and carry on their professional duties.
- Sherman said we have made significant investments in portable technologies. Back in the Spring of 2020 ITSS offered laptop distribution, headsets, video webcams, portable hotspots. She said she just approved an additional \$500,000 to replace and augment these. A technology needs survey was conducted on campus and this will continue to inform our efforts as well and these will be prioritized.
- Faculty from other universities have complimented Chico's enrollment recruitment efforts and our communication with perspective students.
- What is the HIS money being allocated to? Stacie Corona said that this money was referred to on the slide as "Minority Serving Institution Money". The bulk of this was distributed to students as emergency awards last Spring. We also just gave out \$25,000 for remote technology enhancement. The balance will be distributed with the almost \$10M that will be given in the second round of federal relief funds to students. She was proud that we sent such a large amount of this money directly to our students for emergency aid.

Boyd thanked everyone for the time and care they expended to bring this information to the University. This allowed us to have more questions today. If there are more, please submit them in advance with the link. She noted that questions can be sent to the full Academic Senate meeting on March 25 as well.

11. Other (if possible please submit topics in advance to academicsenate@csuchico.edu)

12. Announcements

- *Upcoming UBC Meeting: Monday, May 10, 2021, 3:00-5:00 pm. (Via Zoom)*

13. Adjourn [1:57:59]

Meeting adjourned at 3:59.

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>