

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

UNIVERSITY BUDGET COMMITTEE MINUTES
May 10, 2021, 3:00-5:00, 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.
[04:18-04:48]

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 3:03.

1. Approve Minutes of [March 4, 2021](#) [04:48-05:50]

Minutes Approved.

2. Approve Agenda [05:59-06:34]

Agenda Approved.

3. Opening remarks – Hutchinson & Boyd [06:40-07-:27]

Boyd thanked everyone for their questions that have helped shape the agenda over the academic year.

- **[Budget Cycle](#) [08:07-11:57]**

Hutchinson appreciated the enthusiasm of students as they moved to the completion of the semester, especially of those graduating. She congratulated everyone for the end of an arduous year and a half for their support of students as they made their way to success.

She has also appreciated the very good attendance at UBC meetings over the last three Semesters as everyone has learned about budget at Chico State and within the CSU system.

[Slide one] is a reminder of the [State Budget Cycle](#). Hutchinson noted that we are in May, and we will receive the Governor’s final revision around May 14. This budget was first suggested to the legislature in January and from February to May various stake holders

have advocated with the varied committees of the legislature until May. The CSU has been active in partnership with the CFA and all the state workers' unions and the student governmental organizations to encourage adequate spending on the CSU.

[Slide 2] The Chico Budget Cycle is aligned as closely as possible to the state process. The UBC meetings planned over the rest of the year are designed to give faculty and members input into the process as it unfolds.

4. **Enrollment Update and Budget Implications** — Ross/Corona [11:58-28:27]

[Slide 2] Jerry Ross (Associate Vice President, Enrollment Management) noted that it is typical at the May UBC meeting to talk about continuing student registration and new student intent to enroll submissions. We delayed continuing student registration and it is early to get a clear picture of where we are in this cycle.

We continue to work on the Fall 2021 Fall class and extended time for first-time Freshmen and Transfers. Numbers are fairly static now. Hardship applications and other applications are still being accepted. Primary activity right now is focused on the Intents to Enroll process and getting as many students as possible to commit completely.

We are running flat year over year for First-time Freshmen and Transfers. The most significant gap is in First-time Freshmen numbers. We are running at present about 9% down from last year. Transfer applications are stronger (13% up). The target yield for all students remains 4,200 and we think we will achieve this. June 1 is the deadline for intents to enroll.

[Slide 3] This slide shows college specific numbers in these two categories. Jerry Ross noted that his office has begun to put year over year numbers in the executive summary for these as well.

[Slide 4] This slide shows many of the ideas undertaken from December through the Spring to increase enrollments “yielding efforts” for 2021-2021. Multi-layered efforts include calling, static campaigns, email communications, and texting. Today, in person tours were restarted on campus for admitted students and will continue in a safe way. About 150 are signed up for tours.

[Slide 5] depicts summer Orientation numbers for New Students. It shows year over year percentage declines. Students who attend summer Orientation are highly likely to enroll and we are working on building these numbers.

[Slide 6] Stacie Corona, (Associate Vice President, Financial Services) reviewed downward

trends in enrollment for the last four years. These numbers show Headcount and FTES trends and the colored graphs show the different magnitudes in Fall, Spring and Summer. The downward movement is most concerning. Jerry Ross noted that when 1st year enrollment is low that will echo through 4 years of counts.

[Slide 7] This shows the percentages of the changes. Last year was the largest drop but it was 3% the year before. This shows the fee impacts of the trends going down the last four years. The bottom shows the revenue sources that follow the students. It shows we have suffered a \$10M decrease since 2017 in just four years.

[Slide 8] This shows the data we are using for budget planning in 21/22. We are predicting a decrease of 575 FTES from 14,941 in 20-21 to 14,366 in 21/22. This will mean a reduced Budget FTES of 14,250 down from 14,500 in 20/21. We are projecting fairly flat revenue next year.

Questions:

- Sistrunk thanked Jerry Ross for including the College information on Slide 3 so he can support his Dean. Jerry Ross said the Deans have really stepped up.
- Paiva asked how CSU Chico compared to other northern Californian campuses in terms of enrollment. Jerry Ross answered that many CSU peers were down in first-time Freshmen applications and up for Transfers during this cycle. Some of the larger schools in larger metropolitan areas were up. We seem pretty typical. There are about ten campuses that are down in the last five years and 13 that are up.

5. [2020/21 Q3 Budget Update and 2021/22 Planning](#) – Sherman/Corona [29:01-55:57]

Sherman noted that all the divisions have been arranging their academic year budgets in quarterly reports and the third quarter is concluded. By this quarter the University should have expended around 75% of our budget and we are close, we have expended about 76%.

These numbers do not include our reserve funds that are not looked at in our operating budget. This year we had thought we would have to draw down a significant portion of our reserves, but through our efforts, we have not had to do this as much as we anticipated.

[Slide 2] Our State Operating Fund includes the Base budget (of all the Divisions), our Revised Budget which includes some one-time money, the Actuals, the Encumbrances and the remaining quarter Budget Balance.

[Slide 3] When we look at the final quarterly Projections, we can see that we will be a little bit over. This budget was created expecting a few less students than we actually got and we had thought we would draw down on our reserves. It appears we are at 104% but we are

doing well.

Some unknowns remain (some numbers included in the encumbrances). These are part of the projected funds in column three where we do not usually spend quite as much as we thought we would. We will probably come in right on target at the end of the year.

[Slide 4] This slide shows activity of 2020/21 Review to Date. Several measures were taken to manage funds prudently. These bulleted items include:

- Emphasis on spreading budget into appropriate expense categories for the years ahead. Our budgeting has been somewhat simplistic as we designate salary and benefits (which are the lion's share of expenses in our budget), but we have many little categories that are not well parsed-out so we really understand where these expenses are happening.
- We have also discussed the federal work-study funding. We did not use all of these funds this year and we are looking to convert this award money out to students.
- We expect some increased expenses as we return to campus. Our outcomes this year will be different as we have not been travelling, or expending money on hospitality.
- We want to reconcile our funded positions against the budget. There has been a disconnect between these for a period of time. We are working to match our positions with the funding provided by the State Controller, so that everything is clean and clear about what we have available to us.
- Finally, we have been presenting improvements to the documents and discussion materials so that the quarterly reviews are smoother and easier to understand.

Questions:

- Ford asked what goes into the Revised Budget and why were Actual Revenues not included in the revisions? Sherman said this is mostly a timing issue. One-time money can come in at different times (like in the Spring when planning occurred in the Fall). Stacie Corona added that money comes from the CO anytime and it is not part of the general operating budget. Division budgets do not change but extra enrollment or CO funds can roll into our revenue to bump up the reserves a little.
- Sistrunk wondered what reconciling positions to the support designated by the comptroller might mean? Did it impact Lecturers versus regular faculty, or the salaries of administrators. Sherman explained that this was a consideration of positions that might turn over a lot. So, we need to determine what is actually in the budget and what is required of the position by the comptroller. Some divisions might have a position that used to serve a few years ago, the attempt is to make sure these are accurately described and funded if appropriate.

[Slide 5] Sherman noted that she had just discussed what happened last year and will turn now to discuss next year: 2021/22 Planning.

[Slide 6] Sherman explained that we will try to develop some Provisional Budgets for 2021/22: State Operating Fund after the 3rd quarter which will allow us a greater sense of security about the amounts we have to work with. When we look back over the multi-year revenue and expenditure trends, the numbers are fairly consistent. Since this is true and we have a relatively stable projection from the state and enrollment, we should assume that we can give a provisional budget that will be quite accurate.

We might be able to manage positions that are 80-85% of the Budget so that planners have more certainty over the summer about what they have available. We want to better match the planning for Academic Affairs and the planning for our financials. This can be a bit of a risk because we do not know the state budget until the end of June, and it takes time for the CSU budget to work its way through the cycle.

We will target a 98% confidence level. The budget finalization will occur in the Fall with some minor tweaks as opposed to the massive dumping of the whole budget in everyone's lap in September.

[Slide 7] Sherman reported that the Governor has said that the \$299M promised to the CSU by the Governor will be returned to us by July 1. This will mean \$144.5M in base money plus \$229M in one time money. We will get two years of funds in arrears. In addition, today the Governor announced the California "Leaping Forward Plan" of \$75.7B in budget surplus compared to the revenue gaps anticipated before. There will be \$11.9B in tax relief for almost 80% of California filers as well as \$5.2B in back rent and \$2B in utility expenses in direct payments. There may be 1 time additional money for the CSU as well.

[Slide 8] This shows the 2021/22 Preliminary Operating fund Budget Increase will be slightly more than \$11M which will come from the \$299M base restoration, GI 2025 money, Ethnic Studies, Mandatory Costs and Retirement Adjustments (the Calpers program still has unfunded liabilities we continue to pay for). The Tuition Increase/Decrease will remain flat. We will now more after the May revise.

[Slide 9] The Three Uncertainties we have labored under have been clarified.

- Vaccine requirements and return to campus protocols have decreased the pandemic uncertainty
- State revenues and fiscal commitments of the CSU have provided baseline certainty for planning purposes
- Enrollment is forecast to match planning estimates
- HEERF funding will create resilience for the future

[Slide 10] The Approach for comprehensive planning is to create a comprehensive all-funds budget model and clarify sources and uses of funds and expenditures

- Assess long-term impact of declining enrollment
- Provide provisional budgets in the Spring to decrease year-end spending anxiety and smooth annual cycles
- Link position management and the budget plan o provide timely decisions on hiring, IRPs, and re-class requests
- Return to active management of Reserves to achieve 3 month operational expenses security\

[Slide 11] This is an update on many issues reported about at the last meeting

- Multi-year analysis of actual expenditures is complete
- The alignment of budget planning with academic timeframes is ongoing
- Multi-year forecasting through 2024 will be expedited
- Identification of funding mechanisms for campus capital contributions is complete
- Provisional budgets are expected to be on time
- Final Fall budgets are expected to be on time
- Stimulus funds are expected
- We continue to clarify funded positions and budget planning
- Disentangle operating Expenses and Salary/Benefits decision-making

Questions:

- Larson sked what the limitations and rues might be placed on GI 2025 funds and Ethnic Studies funds. Sherman said there has not been much information about these. Larson wanted to reiterate that this funding news is a guess and we still do not know what Ethnic Studies money means at all.
- Kevin Patton noted that last year's departmental carry-forward was significantly swept away and he hoped Chairs could be told that will not happen again in the near future. Sherman said she could not confirm this now as the reserve policy has not been confirmed. We have big campus contributions needed for some campus buildings and there has not been any discussion yet.
- Larson noted that Academic Affairs would like to return to the ABC model. Tis will rely on colleges to keep a healthy proportion of their roll-forward to help mitigate the differential impacts of the ABC. The question is complex.
- Kathy Fernandez asked if the one-time LMS line item in the Governor's GI 2025 and Ethnic Studies plans will stick. Sherman said she did not know.

6. [HEERF Funding \(Federal Relief\) Update](#) – Corona [55:57-1:06:07]

[Slide 2] Stacie Corona went over the three CPOVID-19 Federal Relief Funds that have been rolled out. The first two have already been received and spent down and the American Rescue Act, signed by Biden, has not yet been received.

[Slide 3] shows the website created to report out about the funds (required by the CARES Act).

- **Federal Relief website** <https://www.csuchico.edu/coronavirus/federal-aid/index.shtml>

The plan is to create a website for the HEERF III funds when they come.

[Slide 4] shows the draft breakdown of the \$21M awarded to Chico for HEERF II (CRRSA). We have a year to spend these funds. It was decided that HEERF III dollars would be opened up to proposals since we had so many expenses and revenue losses already. The varied programs are outlined on the slide. The mandate of these funds is to try to make the campus a resilient campus.

[Slide 5] There will be a Request for Proposals to expend the HEERF III (ARP Act) funds. There is a sense of urgency to get a process to campus before people leave for the summer. We are still awaiting guidance from the Department of Education. There is a link to the two page pdf form that will be used to apply on the slide.

Questions:

- Sistrunk noted that other Universities have given their faculty who carried the weight of the University in the heat of the pandemic stresses release time which they can choose to take in a few years or they have just given grants to their faculty. This could replicate the simple processes adopted to give students money and it should be used for resilience. Sherman said that this idea has been identified as inappropriate and campuses have had to walk that back.
- Paiva are the proposals being awarded to individuals, divisions or what. Boyd said this can be taken up at the end of the meeting.

7. Student Affairs Housing [Update](#) – Barker/Huyck/Knapp [1:06:08-1:12:52]

Anta Barker (Interim Associate Vice President of Student Affairs) turned over discussion to Connie Huyck (Executive Director of University Housing) and Corinne Knapp (Associate Director of University Housing).

[Slide 1] Corine Knapp began the Fall update for University Housing for Fall 2021 as of May 10.

- They are looking to house as many as 1,933 (86.1% of full occupancy). 13.9% of bed space and housing will be kept aside for quarantining and isolation if it is necessary.

- 2nd Year Students have evinced more interest in University Housing than is typical. They traditionally live at University Village which will continue, and they will also be housed at Mechoopda Hall as well. This will allow us to target programming for them which they missed when we dismissed everyone early last Fall.
- As of May 5th, 1,648 spots have been confirmed with University Housing. Everyone else will be accommodated on a first-come, first served basis up to 1,933.

[Slide 2] Updates were given on efforts to mitigate COVID-19 Risk in Housing.

- All students will be required to be fully vaccinated prior to move in. If they took a particular vaccine, they will need to have completed their second dose 2 weeks prior to this.
- COVID-19 testing will take place once a week for students who must take exception to being vaccinated.
- Quarantine and Isolation spaces are designated at University Village and self-contained apartments. Infected students will remain in these apartments and meals will be delivered to them.
- There will be a four day Contactless Move-in
- Dining services will commence with pre-ordering for pick-up at the dining hall and this will likely continue. In person dining will be allowed as Butte County public health allows.
- All programming will follow CDC guidelines. Hopefully, a large percentage of students who are vaccinated but become exposed to COVID-19 will not need to be quarantined.

8. Academic Affairs ABC College Allocation Model [Update](#) – Larson/Mays [1:12:53-1:24:03]

[Slide 1] Larson began with a brief update on how 2021 has fared which will impact 2021-22 with a nice slide showing many smiling faces in the division.

[Slide 2] Larson disclosed the 20-21 division budget plan. On the left hand side are the sources of revenue from the general fund and the right side pie chart shows the plans about how these dollars will be used. Last year in 20-21 we saw a 10% cut in our budget. To manage this, we took a 2.5% cut across the colleges from the previous year and a 5% reduction to the support units. We also planned to use some \$11M in reserves (we swept 90% of the roll-forward).

Most important of the planned usages were \$74M for the colleges; \$16.1M to the support Units, \$46.7M for benefits; and \$11M in reserves.

[Slide 3] this shows how we got off the ABC Model for the 2020-2021 College Allocation &

Pandemic Unknowns: Last Summer in 2020 we suffered a rapid decline in enrollment (example of New UG 13%). We also had a state funding cut so that between this and enrollment decline we faced a 9.2% cut. When we ran the FTES ABC Model, we discovered that the impact on three colleges would have been catastrophic. We had to step away from the ABC Model and use the distribution model we had established in 19-20.

[Slide 4] The division will return to the ABC Model in preparing the 2021-2022 Budget. It is hoped this will provide the Deans with predictability. About 70% of the model is impacted by the FTES numbers in the varied colleges. HFA, Business and CME suffered the worst showing a 7-8% decline.

Jenifer Mays discussed the ongoing efforts to return to the ABC Model. She described how some meetings have commenced with the college Deans and Jeff Bell to brainstorm how to utilize the model to be fair in its method of allocation. We have pulled more accurate Cognos Data. The model has been refined to bring it into alignment with actual costs and Activities so that less averaging is done and allocations can be brought into line more.

[Slide 5] The ABC Model Revisions envision instructional segregated allocation between T/TT and Lecturer FTES. The associated different index of T/TT and Lecturers ATWS will be applied by college. This will result in less averaging which is a “fairer” allocation. \$8M of AWTU that is spent on non-instructional AWTU is differentiated in the Model. This will be applied by T/TT headcount and the salary index of the colleges as well. The T/TT segregated allocation will be applied to the Chair salaries as well so that the funds better align with the “actual” costs.

This transition will begin at 75% this year and complete the process next year. There is still tidying up being done (ie. making sure faculty headcount is correct). Larson added that Jennifer Mays sent these draft allocations last week. Allowing colleges to keep their significant roll-forward will mitigate the changes provoked by transitioning back to the ABC model. This will buy the three colleges some time to continue with efforts to increase enrollment.

9. University Advancement [Update](#) – Boura [1:24:18-1:30:46]

[Slide 2] Boura began by reporting the successes of the Transform Tomorrow: Capital Campaign. The goal from July 1, 2012 was to receive \$100M by June 30, 2021. As of May 10, 2021, the campaign has raised \$103,582,697. Obviously, the campaign is not done until June 30 and the Advancement fundraisers continue to work around the clock to keep the benefactors involved and engaged in investing in the University.

[Slide 3] This fiscal year as of May 10, we have raised over \$13M in cash, in pledges and deferred commitments.

[Slide 4] The Tower Society members continue to make large significant investments. Of the \$12M in cash, over \$10M came from Tower Society members. They continue to believe in the work of the University and they continue to increase their giving on an annual basis.

[Slide 5] On March 3 Chico State Giving Day 2,539 Wildcats gave a record-breaking \$540,000 in a single day. [Slide 6] The number of gifts increased 64% since last year.

[Slide 7] This generous giving is because we have 169 causes supported by our donors who give in widely divergent ways. We continue to grow our interest as we brought 820 new donors into the family.

[Slide 8] The alumni populations spans 40 states and the District of Columbia and a few have been international.

[Slide 9] The University Foundation Board continues to watch the Endowment to support the strategic plan and invest to fuel the growth and excellence of the University.

[Slide 10] We have come out of a rocky time for asset allocation and have been impacted by COVID with a negative return on investment of -1.5%. As of March 31, we achieved over 26% return and are balancing the earlier losses.

[Slide 11] The Endowment is at an all-time high of over \$75M

10. Capital Projects & Deferred Maintenance Update – Sherman/Guzzi [1:30:47-1:46:45]

Mike Guzzi (Associate Vice President of Facilities Management) gave an overview of Capital Projects and deferred maintenance directed by the strategic and master plans.

[Slide 2] everything is always aligned with the strategic priorities of the University and the framework of the Master Plan that we focused on in the last few years [Slide 3]. These guide us so that we are not distracted by knee-jerk needs.

[Slide 4] This is the current campus map contrasted with the future design of 2030 [Slide 5]. Since we could not build or pay for all these projects so soon, this long-term plan is really a 15 to 20 year plan. The dark pink buildings are new projects and the light pink are projects for down-the road. The brown building represent partnerships we would like to make with the city or others.

[Slide 6] shows how we are trying to expand the hub of the University.

[Slide 7] This slide shows the bond funded projects we currently have completed, have underway, or are still waiting on with the contributions the campus has made and the support of the CSU and others.

[Slide 8] lists the state deferred maintenance funded projects we have finished, contributed to, or are being planned.

[Slide 9] Campus/Auxiliary Funded Projects listed including repair to the BMU roof, the Health Center modernization, the bike path, zero waste hub, Meriam library lighting, etc.

[Slide 10] HEERF Federal Stimulus Funds (CARES Act) Projects will be applied to improved WiFi and Broadcast capabilities.

[Slide 11] much of this work will commence this summer and other projects as well including solar panels on the WREC and BMU, etc. [Slide 12] When this kind of work is done, we must often remodel the roofs so they can support the panels. There are future plans to add solar at the Farm and the new Butte Hall. All our roofs need repair.

[Slide 13] there always seem to be more projects in need of funding. FMS would like to make an FMS Services building for example, which would promote work and safety. Such a project would serve to move non-forward student facing services out of the campus hub. FMS would like to repair the elevators on campus and other important matters.

11. Transition to OpenBook transparency software from OpenGov – Corona [1:46:46-1:33:26]

Stacie Corona reminded everyone that back in May 2014, we had a resolution [Slide 2] in Academic Senate to develop a transparency software and since then, we have used Opengov for a little over five years. Many universities use it and so does the CO. It has shortcomings as it can only successfully preserve spending records after the fact, but it could not really show Budget to Actuals.

[Slide 1] There are many advantages to Openbook and it will certainly allow these temporal comparisons. We can create customized reports in response to requests. [Slides 3-4] demonstrate the customizable and user-friendly interface. Business and Finance recommends switching from Opengov to OpenBook. This is time critical as we must switch by June 1, because the price will go up for Opengov.

Boyd spoke in favor of the change which was discussed in EC. She asked for feedback if anyone wanted to send it to her.

12. Q & A (if possible please submit questions in advance to academicsenate@csuchico.edu)
[1:23:27-2:04:42]

Boyd opened the meeting for questions and answers about today's discussions.

- Austin Lopic (AS Vice President for Business and Finance) moved to extend the UBC meeting up to 10 minutes so that questions could be asked. Seconded (no objections)
- Paiva asked what the financial offsets would be to install so many solar panels on campus. Mike Guzzi noted that the financial benefit for the first four panels we installed will require a little more expense but will pay in the long term as the systems expand. The Farm will be the next phase and we hope to make them net zero.
- Stacie Corona explained that the Proposal form for HEERF funds can be from an individual or a department. Everyone must have their Division Vice President sign off on their plans.
- Are upgrades to the first and second floor bathrooms of the Meriam Library part of the FMS Plan. Ike Guzzi said this was not planned this year, but he can ask his team were it is on the list of projects. Ayres restrooms are being upgraded this summer.
- Sherman noted that Chico State currently pays the second highest rate per kilowatt hour across the CSU. Solar will help to cut this back. We also know that PGE rates will continue to go up. In the future we will generate savings or a least cost avoidance if we improve of solar array.
- Sistrunk asked who told Sherman that faculty could not be given HEERF money in the same way students got it. Sherman said the CO said this but she is still waiting on guidance from the federal government. Stacie said that training and programs would be suitable.
- Sistrunk asked if local Energy Providers might come to Butte county and Sherman said the closest one in our area was in Sacramento. Sherman noted that the CSU was thinking of cooperating in this way but we are not in a place to take advantage of this quickly yet.

13. Other (if possible please submit topics in advance to academicsenate@csuchico.edu)
[2:04:42-2:06:11]

Boyd said we will move on to discuss other matters.

Austin Lopic thanked everyone for the shared governance example of UBC and he looked forward to working with us all next year.

14. Announcements [2:06:11-2:09:23]

- *Upcoming UBC Meeting: TBA for 21/22 AY*

- Sherman encouraged everyone who needs to, to attend the vaccination clinic this week. Mike Guzzi said 407 were signed up for tomorrow. Walk ups will not be turned away.
- Mike Guzzi said he thought there will be more clinics in June and over the summer.

15. Adjourn [2:09:24]

Meeting adjourned at 5:08.

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

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>**