

University Budget Advisory Committee (UBAC)
Meeting Notes
August 4th, 2020, 8:30 – 11:15am
Zoom Video Conference

Members Present: William Cordeiro (Chair), Rose McAuliffe, Sharyn Gardner, Jay Lee, Ernest Uwazie, Elvia Ramirez, LindaKay Soriano, Tatiana Azad, Angel Thayer-Smith, Noah Marty

Members Not Present: (no second student appointed)

Others Present: Jonathan Bowman (CFO and VP for Administration & Business Affairs), Tony Lucas (AVP for Business & Administrative Services), Bena Arao (Senior Director for Resource and Organizational Management), Steve Perez (Provost), Kelly Whelan (Division of the President), Lauren Garrett (Budget Planning & Administration), Diana Lynch (Budget Planning & Administration) and Norman Kwong (Budget Planning & Administration)

Agenda Items: The meeting began promptly at 8:30am, the committee resumed with their 2nd and final day of budget presentations from campus divisions.

CFO Jonathan Bowman delivered a presentation on Administration and Business Affairs (ABA), which has approximately 500 employees and is the 2nd largest campus division after Academic Affairs. In reviewing their plans to address possible budget reductions for 2020/21, Jonathan noted the biggest potential savings results from the “hiring chill” which was implemented by the campus last March. Due to the hiring chill, ABA has over 30 vacant positions which impacts services offered to the campus. ABA also expects savings from reduced travel, reprioritization of consulting contracts, and utilization of in-house professional development resources.

ABA finished the 2019/20 fiscal year (which ended on June 30th, 2020) with approximately \$3M in carry forwards funds. Approximately half of this is being voluntarily transferred back to central reserves to fund campus-wide strategic priorities, while the remainder will be used for various repair projects. Mr. Bowman was thanked by the committee.

ABA has significant revenues, much of this stems from cost recovery for the work done on construction projects, as well as work performed for campus auxiliaries and self-support units. In particular, University Transportation & Parking Services (UTAPS) is included under the ABA umbrella. Parking revenue has gone down drastically with the onset of COVID, however their costs have not gone down correspondingly as their largest expenses are fixed loan repayments for the various parking structures on campus. Jonathan noted that ABA has two small one-time project requests, these totaled \$200k for necessary repair projects for the campus. This represents a fraction of the cost, as ABA is contributing for the remainder.

Bena Arao continued ABA's budget presentation by reviewing their All University Expenses (AUEs). As the largest support division on campus, ABA AUEs total approximately \$20M in expenses per year. Of this amount, the largest portion of \$7.8M is for leases and rentals (e.g. rents paid to campus auxiliaries for building owned by them). Utilities account for another \$4.2M in expenses (\$5M was allocated previously but ABA is helping to pay using trust funds which have a temporary surplus). ABA also has \$5.3M in insurance premiums, insurance is purchased through the CSU Risk Management Authority (there is not much room for potential savings since premiums are based on claims that occurred two years ago).

The ABA presentation ended and Jonathan opened the floor to questions. These included questions about support for anti-racism initiatives, and sensitivity regarding campus police. In regards to police, the campus follows guidance from the Chancellor's Office. Concerns were also expressed that professional development funding not be reduced, as employee engagement has decreased due to telecommuting necessitated by the COVID crisis. Time ran out and Chair Cordeiro called an end to ABA's presentation at 9:40am.

The committee reconvened at 9:45am to hear from Provost Steve Perez. Academic Affairs is Sacramento State's largest division with roughly 2,000 staff and faculty. COVID-19 has greatly impacted their operations with 95% of all course sections moving online for the fall semester.

This year, the VP's Office chose to sweep some of the College's extra carry forward in order to fund certain objectives and support the overall budget reduction. Committee member Rose McAuliffe asked whether online teaching could support a greater number of students in each course. The Provost explained that there are bargaining unit limits and class sizes are also controlled to be pedagogically sound. The course level and content also dictates the maximum number of students per section.

In an effort to reduce costs, Academic Affairs is putting computer refreshes on hold, reducing personnel, and leaving vacancies open. Colleges will also receive a combined \$4.5 million cut to operations. For 2020/21, baseline personnel costs are projected to be \$112.6 million and baseline funding is projected to only be \$109.7 million. They will use one-time funds to make up the difference. Academic Affairs is striving for more transparency and better identification of their miscellaneous operating expenses.

They plan to continue to support student success initiatives even though there will be no new Student Success funding provided by the Chancellor's Office for 2020/21. The Student Success initiative began in 2016. In order to increase graduation rates, a portion of lecturers have been funded with one-time monies, predominately coming from the University's reserves. Not receiving this funding would greatly impact the number of course sections available to the students.

After the presentation, committee member Ernest Uwazie asked for clarification on what Academic Affairs determined to be vacancies. Provost Perez explained that when people leave, it doesn't necessarily equate to a vacancy. The VP's Office wants to maintain budget flexibility for this year and determine where faculty and staff are most needed. Chair Cordeiro ended the meeting at 11:15am.

University Budget Advisory Committee (UBAC)
Meeting Notes
August 4th, 2020, 12:45 – 5pm
Zoom Video Conference

Members Present: William Cordeiro (Chair), Rose McAuliffe, Sharyn Gardner, Jay Lee, Ernest Uwazie, Elvia Ramirez, LindaKay Soriano, Tatiana Azad, Angel Thayer-Smith, Noah Marty

Members Not Present: (no second student appointed)

Others Present: Diana Tate Vermeire (VP for Inclusive Excellence), Kelly Whelan (Division of the President), Phil Garcia (VP for Public Affairs and Advocacy), Lauren Garrett (Budget Planning & Administration), Diana Lynch (Budget Planning & Administration) and Norman Kwong (Budget Planning & Administration)

Agenda Items: Chair Cordeiro welcomed Ed Mills, Vice President for Student Affairs promptly at 12:45pm.

Ed started by going over the complex organizational structure for Student Affairs. Stating that they have a newly created Program Center, Strategic Student Support Programs. Some of the departments that are under this new program center include Multi Cultural Center, PRIDE Center and the Women's Resource Center just to name a few.

Under Student Affairs general fund units there are 51 departments & programs with 220 staff and management positions and 459 student assistant positions. Student Affairs general fund budget for 2019/20 was \$28.47M, while Ed anticipates the general fund budget for 2020/21 to drop down to \$26.11M. He also showed the total staffing and budget for the Union/WELL, Student Health and Counseling, University Housing and Associated Student, Inc.

Student Affairs filled 112 staff/management vacancies in 2019/20. In 2020/21 the headcount for staff will be 80 (holding 46 positions vacant), while the headcount for MPPs will be 30 (holding 4 positions vacant). Ed then proceeded to go over 2019/20 General Fund by Source, the Expenditure Details for 2019/20 as well as 2019/20s Augmented Funding by Source.

The 2020/21 Funding priorities for Student Affairs include Equity, Affinity and Identity, Student Safety and Wellness, Academic Advising, Student Services, Student Success in a virtual environment, Career Services.

Chair Cordeiro inquired about the status of Enrollment. Ed said if the trends continue we are looking at about 1-2% under enrollment. Chair Cordeiro additionally asked if Student Affairs received any CARES funding. Ed followed up by saying he only

requested CARES funding for Student Health and Counseling (flu shots, medical supplies, etc.).

Ed did mention that most of the 46 positions will remain vacant for at least 2 years.

Rose McAuliffe asked how many students we were anticipating in the dorms. Ed said the total students in the Dorms would most likely be between 350-420 students. There will only be two building open for housing; American River Courtyard and Riverview.

VP Diana Tate Vermeire started her budget presentation promptly at 2pm, for the Division of Inclusive Excellence (IE). This division was recently created in 2019/20, thus they are still filling many of their planned positions. Therefore IE ended the fiscal year with a large carry forward balance, the majority of this (approximately \$360k) will go back to central reserves.

As IE's duties have become better defined, they will be exchanging All University Expenses (AUEs) with other campus divisions. In 2019/20 they were responsible for the Assistive Devices and Physical Exams AUEs, both of which were inherited from Human Resources when IE was formed. Those AUEs will go back to Human Resources, in exchange IE will oversee the AUEs for Sexual Assault Examinations, Legal Settlements, Legal Services Contracts, and Complaint Investigations. The Complaint Investigations AUE was discussed in greater detail, of particular concern were the average cost of \$15k per hearing, and the inability to predict when/how many complaints would occur. After answering any questions posed by committee members, VP Vermeire left at 2:50pm and discussions halted for a short break.

At 3:00pm, the committee reconvened and welcomed VP Phil Garcia to present on Public Affairs and Advocacy. Over the past few years, there have been many changes to this division's structure including moving the Center for Collaborative Policy to the College of Continuing Education and moving out University Communications which is now under the Division of the President. VP Garcia has oversight of the Sacramento State Downtown location and the Center for California Studies.

In 2019/20, they hired a new MPP as Director of Civic Affairs and currently have no vacancies. Since the division is very small and a large portion of the expenses are from salary costs, a 10% reduction in baseline is difficult to achieve. Planned reductions for 2020/21 include greatly reduced operations and virtually no travel or professional development. Public Affairs and Advocacy will use their 2019/20 carry forward to supplement 2020/21 costs. The division continues to prioritize the Anchor University Initiative and advocate with local and state governmental agencies regarding health and safety protocols.

After wrapping up all of the Divisions presentations, discussions amongst the committee members started at 4p.m.

Rose opened up the current sources and uses and the AUEs spreadsheet and went over. Rose suggested we recommend that Divisions should have to review their AUEs on a quarterly basis. She then brought up the reserves spreadsheet for discussion. Angel verbalized that maybe we shouldn't do a 10% cut for all divisions. It was then determined that Chair Cordeiro and Rose would meet via zoom to write-up the recommendations to the President. They will share the recommendation with the committee for review and/or changes before submitting to the President.

No additional meetings are currently scheduled.