

Budget and Planning Committee Minutes

Thursday, October 3rd, 2019
10:00 –11:30 AM

Student Health Center, Conference Room (HCCR)

I. Call to order: 10:05 a.m.

- B. Street (chair), K. Krishnan (guest), T. Davis (ex-officio), A. Wan, A. Hegde, A. Grombly, C. Lam, S. Gamboa, M. Martinez, V. Harper (ex-officio), J. Stark, J. Drnek

II. Approval of Minutes: A. Wan, 2nd: A. Hegde

Minutes – 09/19/19

III. Announcements

1. Fall Budget Forum – October 21st, 11:00 AM - 12:00 PM - Student Union MPR
 - a. B. Street and T. Davis meet next week
 - b. Discussion of the reinstatement of the budget book and the parties involved in building it.
 - c. Discussion of past budget information available in the Library Archives to see what was available and what may need to be added to the next iteration of the budget book
 - d. This year, we added two new sections; we can't make additional changes this year, but we do need to look at this information and how well it is informing decisions
 - e. It was published this morning and needs a couple of edits:
<https://www.csub.edu/budget/budgetbook/2018-19-university-budget-book/index.html>
 - f. Committee charter for the USBAC is posted in the book now. The committee used to be co-chaired by the Provost and T. Davis; the new committee is co-chaired by the President and T. Davis. Discussion of

the moving of departments between BAS and Enrollment Management, specifically Financial Aid. D. Cantrell has the experience to oversee the area, and now that the audit of Financial Aid is over, it is moved back over to Enrollment Management. Discussion of conflict of interest between admissions and financial aid. That is more of an issue at a private institution. It's more an issue of institutional aid; we are a state institution, so we have very limited institutional aid. Any Federal reports that Financial Aid files also have to go through T. Davis as CFO and the funding is also run through Q. King, so there are still checks and balances.

- g. Discussion of changes to feedback into the Strategic Plan and the stakeholders at each point: Senate, ASI, campus constituents, and community stakeholders. Each goal has a faculty and administrator point person.
- h. Calendar also changed. There are three calendars going on at the same time that intersect and interact: CSU, CSUB, and BPC. CSU will adopt their budget for 20-21 in November, the State will analyze this budget in February 2020. Following the Governor's revision in May, the State approves their budget for 20-21 in June.
- i. Discussion of where the additional funding when this year in August: 70% went to committed expenditures and the remaining 30% was split amongst the Strategic Plan priorities.
- j. In October, CSUB holds the budget forum for the campus. In March, CSUB USPBAC starts receiving budget recommendations. The Strategic Plan defines the campus priorities in budgeting. In April USPBAC meets. In May, the President establishes budget allocation and how we are going to address the strategic plan with the funding we receive.
- k. In BPC, we begin to analyze the data in the budget book in October, and by February, BPC makes recommendations to Senate. In March and April, we discuss the needs of the budget book and propose

revisions for the following year. Acknowledgement of how the campus has come in getting the budgeting information, but there is still an issue with not having a longer-term plan to make recommendations to the CO rather than reacting to their decisions.

- l. We should be working on 21-22, but this would be on a separate track. CSU CFOs meet regularly, and this issue has been discussed there. Discussion of strategy for advocating for funding for the CSU. We also need to have the discussion of meeting the growth in the Central Valley. It would be nice if the faculty voice was part of this conversation.
- m. We need to be more business-focused in forecasting to meet the demands of our growth. We need the income statements and budget sheets to be able to forecast. This will further facilitate shared governance. The campus is doing better at aligning budget to strategic goals. Discussion of the obstacles to forecasting and projections. We are at the mercy of the State allocates. With respect to income statements and balance sheets, that information is available, but we do not have our own financial statements. Consolidated financial statements are available for the CSU. T. Davis and Q. King can find where these are located.
- n. Tuition for over enrollment goes to CSUB, not CSU, but the CO does track this income and it impacts allocations. The funding from the State is supposed to be about \$8800, but because of over enrollment, it is actually closer to \$7300; students pay \$6100-\$6200 in tuition in addition for the FTE including overages. Discussion of how ASI can contribute to the conversation of growth of existing campuses to the master plan rather than establishing a new campus. There are other campuses are in a position to meet this growth as well. The master plan could also be changed to meet a larger FTES. As demographics change, these needs can change too. Discussion of how the CSU funds for campus size and the use of the Orange Book that defined growth

until 1990s. The newer campuses only get additional funding by enrolling more students. The grandfathered campuses have greater funding per student. Examples of Humboldt and San Marcos and how their funding and student populations differ as relates to budget.

- o. Base Budget: Operating Reserves is new. Our total reserves are \$34 million; there are specific portions of the reserve that are limited to certain expenditures or use. CSUB net operating budget is also provided here. CSU reserves and net operating budget is also provided. CSUB reserve allocation comparison to CSU is also provided. CSUB has better reserve allocation than the CSU. Discussion of obligations and how those at CSUB differ from the CSU. Focus on the rainy-day reserve. The CSU has a larger percentage of restricted capital and short-term obligation reserves.
 - p. CSUB percentages of the system funding: our net operating budget is only 1.94% of the system, but our rainy-day reserves are 3.78% of the system. In the event of an emergency, CSUB can survive about two months; the CSU can only survive a month. There are recommendations that campuses need 3-5 months of unrestricted reserves.
 - q. Endowments do not fit into this data; this is only State allocated funds. Discussion of how we should be building the reserves. It is not a function of how state funding is allocated but more about building efficiencies so start saving toward the strategic goals. Our goal is to stop transferring from reserves into the base budget and start transferring out of the base budget and into the reserves. There is funding transferring in next year, but we will also be able to transfer some funds back out. It is going to take six years to transfer out as much as we are transferring in. We still have salary savings and over enrollment funding that will offset the need to transfer in reserves.
2. WSCUC campus visit - Budget and Planning Committee - Wed October 9th
11:00 AM - 11:45 AM - SCI III Room 100 Conference Room

- a. Outlook invite should have gone out.
 - b. A. Wan and A. Hegde unable to attend
 - c. B. Street to send out the poster for this; look at the goals, chart of governance, and where Strategic Plan allocations went
3. Faculty Academic Profile Discussion – Kris Krishnan (Assistant Vice President IRPA) **time certain 10:05 AM**
- a. Profile with FTEF, WTU, Tenure Density not complete yet.
 - b. Discussion of goals and priorities for budget conversation
 - c. K. Krishnan has trend data on tenure density and Fall 2019 projection
 - d. Between Fall 2018 and Fall 2019, there was improvement estimated in tenure density at CSUB. IRPA will doing the actual headcount now that Census Day has passed. Within the next two weeks, this data should be available.
 - e. What are the differences between the numbers at the CO and at CSUB: CO looks at HR data for active teaching faculty; if they are inactive during that term, they are not counted. So long as the faculty are being paid, they are being counted. CSUB looks at contracts and not the HR data. IRPA can't get access to the HR file. The resulting small differences in counts could mean a difference of two lines or so; the CO formulas are different, but the CO says the CSUB numbers are comparable to what the CO has calculated.
 - f. Calculation of the SFRs is also inconsistent for the same reason and it affects the decisions we make. In program review, using SFR to benchmark against other campuses affects how the narrative is crafted. Discussion of why the data isn't available to IRPA. There is a point person aggregating data and adding demographic to bridge this gap. IRPA is doing the best they can with the data they can access. Last summer, A. Hegde and D. Boschini met with a data officer from the CO who stated all this data was available. Discussion of whether the CO can calculate the numbers for our campus because they have the data. The chart in Budget Central comes from the CO and their data

set. Our own reports are from the data IRPA has access to, which is different from the data the CO has.

- g. There is a concern that the Fall 2019 has not improved. As we hire TT faculty, we are also hiring lecturers to meet growth. Discussion of how the data could have been affected by 2010 furloughs. Also, the CFA faculty buyout for junior faculty also many have affected the numbers in 2012-2013. The buyout increased the need for lecturers which offset part of the TT hire. Discussion of number of tenured and TT faculty per department. Several departments have just as many tenured as TT faculty/faculty hires. Q2S should not affect tenure density though it does affect SFR.
- h. Part III has errors and will be resent. The row totals are incorrect.
- i. Part I FTES has grown significantly over the last few years. We are higher than our budget allocation from the CO. It causes a lot of budget stress locally because we have to offset the costs with tuition. Discussion of net revenue generated and salary savings and how costs are offset and used to cover the overages of over enrollment. We always have a net margin; our baseline operating budget is upside down over \$5 million. Some of the courses needed to meet the growth are already part of the cost of faculty time, so there earning tuition for those classes generates the net revenue.
- j. Discussion of possible and previous penalties for over enrollment at the CO and the State. Chancellor White has not instituted penalties. We are still one of the campuses other CSUs redirect students to even though we are overenrolled. We are over 10% overenrolled. There has been a change in the tide of student choice; at some point we are going to have to look at impaction.
- k. Do we know how many redirect students we are receiving? We have the number we are sent and the yield; the yield was under 50 students, but the number sent were over 1,000. This year we received freshmen redirects. Discussion of impact on Enrollment Management and

workload for such a small yield. Further discussion of the number of redirects in specific areas and sustainability of meeting this issue with the current strategy. The Strategic Plan is built to alleviate this issue.

- l. We are educating the people in the valley, and we are providing them a quality education, so should this be part of the narrative of the capital campaign? The master plan is crafted for 18,000 students, but instead legislature is looking to build a new campus instead of investing further in Bakersfield. Space utilization is also an issue in crafting the narrative to build our campus.
 - m. The new parking for BC is not available for CSUB constituents. That area is a public/private partnership. There is a ground lease to Greg Bynum on that area so long as it met the criteria of the Board of Trustees. The parking in that area is for those tenants.
 - n. Will follow up with the fourth profile and the transition from projections to actuals. K. Krishnan may come back again.
 - o. Instructional costs: faculty salaries / FTES is subjective and is not an accurate indicator. The Delaware study is the only place to get a clear picture of those costs. This data is provided at the request of the legislature. Course releases are not backed out of the calculations.
4. Budget Book Discussion – Thom Davis (Vice President and Chief Financial Officer Business and Administrative Services) **time certain 10:35 AM**

IV. Approval of Agenda

- S. Gamboa, 2nd J. Drnek

V. Old Business

1. Referral 04 Proposal for a Masters in Kinesiology
 - a. AAC joint meeting forthcoming; B. Street work with J. Stark and M. Danforth to coordinate
 - b. Please review the questions for the meeting to make sure everything is there; KINE to also prepare short response to the questions.
2. Referral 07 Academic Calendar
 - a. The taskforce will be working on these recommendations.

VI. New Business

None

VII. Open Forum

VIII. Adjourn: 11:38 a.m.