

University Budget Committee Minutes
Friday, March 22, 2019
3:00-5:00pm - WH D444

Present

Appointed Members- Hugo Asencio, Janna Bersi, Ed Cleek (as proxy for Gurpreet Singh), Kate Fawver, Chinaemerem Isika, Christian Jackson, Michael Kelley, Joanna Kimmitt, Bin Tang, Elwin Tilson, and Celina Valadez

Ex Officio Voting Members- William Franklin, Naomi Goodwin, Michael Spagna, and Carrie Stewart

Non-Voting Division Budget/Fiscal Officers & Others- Hadia El-Bardisy, Tony Little Cecily McAlpine, Wayne Nishioka, Ken O'Donnell, Claudia Orozco, and Marci Payne

Staff to the Committee – Andrea Alvarez, Wayne Nishioka, and Jerry Willard

Not Present

Chris Manriquez

The meeting began at 3:05 pm.

Kate thanked the committee for all of the hard work the committee did this semester. She mentioned that President Parham approved both FY18/19 and FY19/20 UBC-recommended budget allocations without modifications/changes at the end of January.

Naomi introduced Jerry Willard and Tony Little and welcomed them to the University Budget Committee Meeting.

Naomi went on to talk about the Governor's budget proposal for the CSU with includes \$300 million in new recurring funds. Some of the proposal includes the fully funded \$193 million compensation increases and mandatory costs. Out of the 5% that was requested for enrollment growth, 2% was allocated – a total of \$62 million. \$45 million was allocated for the graduation initiative vs. \$75 million that was requested. Some of the expectations are tuition will remain unchanged, enrollment will be increased, time to degree will be improved, and in-depth conversation between the Administration & the Trustees regarding four broad goals: Providing fiscal certainty for students and their families, Increasing access and improving student success, Creating a more cost-efficient CSU, and Improving the link between higher education and skills needed for the economy now and in the future. \$12.6 million of enrollment funding recognizes increasing AUL also increases costs, but does not generate additional tuition revenue.

The FY 19/20 graduation initiative 2025 allocations are \$15 million base increases of \$625,000 per campus & CO for system-wide provisions managed centrally, \$25 million based on the number of students eligible for Pell in 2017-18, and \$5 million for progress on leading indicators to close equity gaps, based on AUL increases by underrepresented minority students fall 2016 to fall 2018.

Naomi discussed the preliminary FY 19/20 budget projections, 19/20 commitments, base deficit allocations, preliminary projections after earmarks and commitments, and preliminary potential strategies to maximize available funding.

Naomi discussed additional budget considerations including Health Services deficit and student success revenue. Student health and psychological services is funded via a mandatory health services fee. The CSUDH health services fund has had a deficit for several years and this deficit continues to increase. At the end of FY18/19, a deficit in the health services fund of \$3.0 million is projected. Absent a strategy to increase revenue and/or reduce expenses, this deficit will continue to grow by approximately \$1 million annually. CSUDH has not increased the health services fee since 2005. Increasing the fee requires a student referendum or approval by the President following "alternate consultation" with students and other campus

constituents. A deficit in the health services fund must be off-set on the University's financial statement by a positive year-end balance in the state operating fund. This negatively impacts reported campus reserves and may potentially jeopardize future financing of projects. For the student success revenue, analysis of current and prior-year funding allocated to CSUDH by the Chancellor's Office (CO) for faculty and staff salary increases (i.e., GSIs) identified salary increase funding was provided for positions funded via student success fee revenue. Prior student success fee revenue and expense estimates presented to UBC did not reflect this centrally-funded salary increase revenue for positions funded via student success fees and assigned responsibility for these increases to student success fees. The budget office is finalizing its analysis of salary increase funding previously assigned to student success fees that will now be funded via revenue allocated by the CO for these increases. Student success fee revenue previously assigned to these salary increases will be available to fund other campus student success needs and priorities.

Kate and Naomi thanked everyone for their time. The next meeting will be held on Friday, April 12, 2019.

Kate adjourned the meeting at 4:33 p.m.