COMMITTEE ON BUDGET AND RESOURCE ALLOCATION

APPROVED MINUTES

Wednesday, September 12, 2018

Members Present: Nancy Mangold (CBE, COBRA Chair), Paul Carpenter (Kinesiology), Chris Chamberlain (Hospitality, Tourism, and Recreation), Jiansheng Guo (CLASS), Kim Shima (Accounting & Finance), Kyzyl Fengo-Smith (Library), Yung-I Liu (Communication), Rafael Hernandez (Associate Provost for Faculty Affairs and Administration, Presidential Appointee), Monique Cornelius (University Budget Director, Presidential Appointee)

Members Absent: Kevin Callahan (Math), Ayona Chatterjee (Statistics & Biostatistics)

Guests: Mark Karplus (Academic Senate Chair), Debbie Chaw (Vice President Administration & Finance/Chief Financial Officer), Winnie Kwofie (Associate Vice President Facilities Development & Operations), Sharon Chen-Bateman (Facilities Development & Operations: Planning, Design, & Construction)

1. Approval of the agenda
   a. M/S/P Chamberlain/Fenno-Smith/P

2. Approval of the minutes
   a. M/S/P Guo/Chamberlain/P

3. Reports
   a. Report of the Chair: Noted that of the reports from 17/18 on the Senate agenda only one was discussed. Questions from the floor included setting aside some of the savings from the semester conversion budget for potential future changes and/or upgrades to PeopleSoft (yes; also some of the savings being used for support of faculty research) and why the budget realized a significant saving (costs for consultants covered by CO). No vote taken on accepting as an information item. This will be back on the next senate agenda along with the remaining reports from 17/18.

The committee was referred to item 5a on the agenda a memo from the Provost (GI 2025 Fund Distribution). $2.5M is available for projects under the 2025 initiative. The Chair reported that Unit Heads had been invited to COBRA. CFO Chaw was invited to today’s meeting and is on the agenda at Item 5b (CORE Building). The Provost Inch will attend the next COBRA meeting to discuss the GI2025 fund referenced above and on the agenda as item 5a. On 9/26 CFO Chaw will report on the revised 18/19 budget. On 10/10 CFO Chaw and Associate Vice President for Financial
Services Pasag will present the 17/18 actual budget. On 10/24 the Dean of Library Wenzler will report on the impact of the CORE Building on the library budget.

b. Report of the Presidential Appointee(s): Monique Cornelius reported that the 18/19 budget allocation had been received from the CO – see below for allocated amounts. This was broken down and compared to what had initially been allocated by the Governor and after the June revise. There were also additional one-time monies for the Graduation Initiative, deferred maintenance, and Research. Concern was raised over current enrollment numbers and its future impact on the budget in terms of funding from the CO as well reduced revenue from fees. Questions arose around the fee revenue for EB compared to other campuses and the relationship between fees collected and general revenue funding.

**CSU System**
- BOT original request: $282M
- Governor's Initial Budget: $92.1M
- Final State Budget: $197.3M (still $84.7M short)

**CSUEB - BASE-PERMANENT**
- CSUEB received approximately $2.7% of the $197.3M received. ($5,357,200)
- Health Benefits Increase - $393,000
- Compensation (2018-19) - $3,652,000
- GI 2025 - $2,519,000
- 2018-19 SUG redistribution/reduction - $(1,206,800)

**CSUEB - ONE-TIME**
- $4,710,370
  - Research, Scholarly & Creative Activity - $77,370
  - GI 2025 - $350,000
  - Deferred Maintenance & Infrastructure Projects - $3,375,000
  - Enrollment Allocation - $918,000

Raphael Hernandez (Presidential Appointee) followed up on Monique Cornelius’ report. Budget letters have gone to Units – this happened within 7-days of Academic Affairs receiving the budget as promised). By the end of the month we should have a good idea of fiscal year as scheduled for Spring will be posted and Fall already in the books. By the end of October hoping to have the budget ‘locked’ in. We are now better placed to undertake a planning model approach to the budget rather than the historic ‘wait and see’ approach. A Dashboard for EB001 should be up and running sooner giving everyone access to the budget. Data will be aggregated.

$64,750,594 was allocated to Academic Affairs. Essentially flat but adjusted for compensation increases. What hasn’t been included are GI2025 one-time monies or additional salary increases. $65,691,701 has been allocated to Units and included the requests from Deans subsequent to the initial noted allocation in the Pencil Budget (i.e., more than allocated to Academic Affairs). The gap will be made up with one-time monies yet to be allocated (e.g., GI2025 funds). Budgets are sufficient to meet
operational costs and Deans should plan based on their given budget.

Echoing earlier concerns, current enrollment levels are a cause for concern. Enrollment target is 13,341 FTES (resident 12,332 and non-residents 1009). Targets have been assigned to Colleges (CBE 1833; CEAS 1880; CLASS 4900; CSCI 3800). New Freshman (GE) have a target of 131 FTES leaving 797 unassigned FTES. Colleges have been budgeted to their assigned FTES targets.

Head count is down by 910. A drop was expected due to conversion (increase in graduation rate for Spring 2018 of about 500 students). However, this doesn’t account for the total drop and the number of non-returners is worrying (may be a function of financial issues that arose that meant some students did not receive their financial aid in a timely manner). Graduate enrollments are also down and perhaps reflect the current political climate. It was noted that there will be Spring admissions and that this may raise headcount and unit load.

Average unit load has decreased from 13.1 last Fall to 12.4. While this means fewer classes to fund and therefore reduces costs but as we are funded based on FTES and with headcount AND average unit load down AND Fall numbers are typically higher than Spring AND now only two terms the funding situation could worsen if these numbers don’t improve. Science took the biggest hit (4200 to 3700 FTES) and CEAS also below target for the graduate programs. One-time funding will plug some of the gaps for the coming year.

Effectively, the budget allocation from the CO works in arrears – funding for a year based on projections than readjusted in following year for actual numbers. Discussion followed around whether the university will be ‘held harmless’ for 18/19 due to conversion. It was suggested that as headcount also impacts fee revenue and ultimately funding based on FTES the question of whether we will be ‘held harmless’ may be a semantic distinction and irrelevant.

Last year Academic Affairs had a surplus of $1.5M and this is consistent so there is no immediate concern regarding the amount allocated to Academic Affairs being lower than that distributed to the Units. In addition, Colleges carried a surplus last year of $2.2M.

4. Business Items:
   a. Reviewing the COBRA Policies and Procedures document on changes/additions for 18/19 was not discussed due to time limitation.

5. Discussion Items
   a. GI2025 Fund distribution. The committee discussed the memo from the Provost asking for COBRA’s input on the distribution of the allocated funds of $2.7M. A more detailed discussion is planned for the next COBRA meeting once the Provost has reviewed his memo. A number of initial thoughts were around the absence of the Library in the memo, asking the Provost for any research evidence currently available, involving other Standing Committees, crossover in six areas (Academic Preparation, Enrollment Management, Student Engagement and Well-being, Financial Support,
Data-driven Decision Making, Academic barriers) between Academic Affairs and Student Affairs. Chair encouraged members to start doing research on what evidence exists to guide how to allocate funds to the six areas.

b. **Presentation** on the status of the COR Building. Debbie Chaw, Winnie Kwofie, and Sharon Chen-Bateman presented on the progress on the CORE Building. Plan for the CORE Building was approved by the BOT at their May 2018 meeting who also approved an additional $10M for construction bringing the budget to $100M (including all costs and contingencies).

The presentation included an overview of the massing of the building, exterior views and the general configuration of the building, and interior floor plans color coded to identify use and noise levels. Exterior details to be finalized, but the building will be multi-floor (3) with access as noted in the presentation. Internal floor plan is largely completed. Construction documents are scheduled to be completed by the end of this year. The building massing means the Agoura will be eliminated. Questions were asked the consulting process that led to this as this did not seem to have been raised in prior discussions about the building location. CFO Chaw noted that all plans that had been presented and available to the whole campus showed the Agoura would be eliminated. It was also noted that the plaza outside of the RAW is increasingly being used as a public forum. There was some discussion about the proposed gender neutral bathrooms as well as what plans were in process to ensure the final exterior look will be consistent with existing campus buildings and preserving green space.

Future steps were identified: finalizing construction documents to put project out to tender; ground breaking is planned for April 2019 and milestones will be established. Planning is also underway as to the logistics surrounding building work and how this will impact access, traffic, noise, dust, disruption etc. A web site is being developed to provide the campus with information on the project and construction as it moves forward (more broadly, Facilities is working on a plan to improve communication to the campus on the status and impact of all construction work). An update to COBRA is scheduled for Spring 2019.

While not directly related to the CORE Building, discussion ensued about the Applied Science Building. A donor has pledged $15M for construction but contingent on the University raising the remaining $15M and breaking ground by December 2020. The $15M has yet to be raised but in order to move forward if funds are realized planning needs to start now.

The question of deferred maintenance also arose as part of the discussion around the CORE Building. It was reported that the deferred maintenance for the campus stands at around $400M based on a report from an external consultant brought in to review the status of deferred maintenance.

6. **Adjournment (4:20 PM)**
   a. M/S/P Guo/Chamberlain/P