

2021-2022 Year-End Committee Report Form

Committee: Budget Advisory Committee

Chair: C. Faas and K. Sasikumar

Chair-Elect for 2022-2023: C. Faas (4-1500) and K. Sasikumar (4-1361)

Number of Meetings held: 6

(Please include phone/zip/email if available)

Items of Business Completed 2021/2022

1. Members shared concerns, both personal and related to their professional responsibilities at SJSU, that they wanted the committee to address.
2. Reviewed a draft of the budget presentation by the CFO to the university senate, and shared suggestions for inclusion of items in the presentation—specifically related to the disbursement of COVID-related funds
3. Discussed the Capital Campaign (currently in the initial stages) and ways to involve the campus community—in particular faculty members in fundraising
4. Discussed the conclusion of HEERF and the impact on accounting and funding of university projects
5. CFO explained the processes related to the state budget, the May revise, and earmark funding requests
6. Funding for measures to ensure accessibility in curriculum was discussed in detail
7. Discussed the long-term sustainability of funding of SJSU Online and HonorsX
8. Discussed progress on the Alquist building
9. Discussed the importance of revitalizing San Jose’s downtown and the ‘virtuous cycle’ where students are consumers and employees in downtown businesses

Unfinished Business Items from 2021/2022

None

New Business Items for 2022/2023

1. Implications for revenue of AB 927

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| 2. Implications, if any, of new rules on NIL and academic support for athletes |
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**Budget Advisory Committee
(Special Agency of the Academic Senate)**

AGENDA

Thursday, August 26, 2021: 2:00 p.m.-4:00 p.m.
Via Zoom

Today's Minutes: Simon Rodan

1. Approval of Agenda
2. Approval of May 13, 2021 minutes
3. Introductions
4. Associated Students Update: AS President Anoop Kaur (Maritza Molina)
5. Administration & Finance: VP and CFO Charlie Faas
6. Question about cash reserves (Simon Rodan)
7. Agenda-setting for BAC during AY 2021-2022
8. Assigning members to record minutes (September 16, October 21, December 9)
9. Adjourn

Budget Advisory Committee Minutes - August 26 2021

Members present: , Charlie Faas (CFO and VP Administration and Finance & BAC co-chair), Karthika Sasikumar (Senate vice-chair and BAC co-chair), B.J. Grosvenor (Faculty-at-Large), Michael Kaufman (Dean), Maritza Molina (AS comptroller, designee of Associated Students President), Sami Monsur (AVP, Academic Budgets & Planning), Jennifer Nathan (Academic Affairs), Colin Onita (Faculty-at-Large), Kathleen Prunty (interim AVP of Finance and Business Services--guest), Simon Rodan (Senator), Eric Rollerson (Director of University Housing).

1. Approval of Agenda - approved with one change, AS President to AS Comptroller, without objection
2. Approval of May 13, 2021 minutes - approved
3. Introductions and committee members' concerns in the new academic year
 - Students: mental health disruptions due to the spread of the new delta variant
 - Dean: expressed concern about the uncertainty about his budget, and ineffectiveness in communicating budget priorities and outcomes to lower levels of administration in a virtual environment
 - Faculty: Safety, particularly concerns about unlocked doors, equity in housing, transportation (can't take public transit), new sources of revenue, delta variant, medical information overload;
 - Housing: the potential of new lockdowns, unvaccinated students in housing, Not enough quarantine spaces.
 - Provost's office: ensuring communication down to department level; not enough information gets to staff, not everything gets distributed, removing silos between divisions.
 - Staff: worries about other employers poaching our staff, maintaining equity between those who work from home and on-campus staff
4. Associated Students Update: AS Comptroller Maritza Molina (designated by AS President-- Senate will shortly take up a motion to replace the AS President with the Comptroller on the BAC)
 - AS Child care: 57 enrolled - space for 27 more, more staff are being recruited
 - Financial audit will close end of this month
 - Many welcome events planned
 - Sept 23rd: grand opening of the AS house
 - New AS Garden on San Salvador will be open in October
5. Administration & Finance: VP and CFO Charlie Faas
 - Presentation - Budget 101 [[link to slides](#)]
 - Comments/answers to question
 - The proportion of the campus budget for instruction has changed very little over time @ ~42%. 75% of our expenditure is on salaries, operating expenses are 14% and that is too small.
 - Budget is incremental (never zero-based). In addition, planning is difficult for two reasons: final budget approval from the legislature comes in July, many months after classes have already been scheduled in March. Secondly, the budget is negotiated annually. SJSU tries to plan on a 3-year time horizon. We get a quarter of the higher education budget, community colleges get 38%. The UC system gets the same amount as us but has half the students. In SJSU we have steadily increasing student numbers and the contribution of tuition to our revenues is rising, but the percentage contributed by the state is falling more rapidly at SJSU than at the other campuses.
 - Tuition is set by the Board of Trustees and is the same for all majors, and all campuses. Fees are set by the chancellor or president. Campus budget decisions are taken by the President
 - Reporting on recent developments, the CFO said that students wanting on-line classes may be related to lack of jobs in the Bay Area (can't afford SJ rent or travel). 40

percent of our students use VTA to access the campus. Disruptions have hurt their access. Speaking of online education, he said that our classrooms are not set up for hybrid modes of instruction. He also pointed out that the economy of downtown San Jose is significantly supported by staff and students. He ended with the happy news of the urban vibrancy return celebration on Fridays.

The meeting adjourned at 2 PM.

**Budget Advisory Committee
(Special Agency of the Academic Senate)
AGENDA**

Thursday, September 16 2021: 12:00 p.m.-2:00 p.m.
Via Zoom

Today's Minutes: Billie Jo Grosvenor

1. Approval of Agenda
2. Approval of August 26, 2021 minutes
3. Associated Students Update: AS Comptroller (Maritza Molina) designee of AS President
4. Administration & Finance: VP and CFO Charlie Faas
5. Questions for budget presentation to Senate on October 26, 2021
6. Assigning members to record minutes (October 21, December 9)
7. Adjourn

Budget Advisory Committee Minutes - August 26th 2021

Members present: , Charlie Faas (CFO and VP Administration and Finance & BAC co-chair), Karthika Sasikumar (Senate vice-chair and BAC co-chair), B.J. Grosvenor (Faculty-at-Large), Michael Kaufman (Dean), Maritza Molina (AS comptroller, designee of Associated Students President), Sami Monsur (Senior Director, Academic Budgets & Planning), Jennifer Nathan (Academic Affairs), Colin Onita (Faculty-at-Large), Kathleen Prunty (Interim AVP of Finance and Business Services), Simon Rodan (Senator), Eric Rollerson (Director of University Housing).

1. Approval of Agenda - approved with one change, AS President to AS comptroller, without objection
2. Approval of May 13, 2021 minutes - approved
3. Introductions and committee members' concerns in the new academic year
Students: mental health disruptions due to the spread of the new delta variant
Dean: expressed concern about the uncertainty about his budget, and ineffectiveness in communicating budget priorities and outcomes to lower levels of administration in a virtual environment
Faculty: Safety, particularly concerns about unlocked doors, equity in housing, transportation (can't take public transit), new sources of revenue, delta variant, medical information overload;

Housing: the potential of new lockdowns, unvaccinated students in housing, Not enough quarantine spaces.

Provost's office: ensuring communication down to department level; not enough information gets to staff, not everything gets distributed, removing silos between divisions.

Staff: worries about other employers poaching our staff, maintaining equity between those who work from home and on-campus staff

4. Associated Students Update: AS Controller Maritza Molina (designated by AS President--Senate will shortly take up a motion to replace the AS President with the Controller on the BAC)

AS Child care: 57 enrolled - space for 27 more, more staff are being recruited

Financial audit will close end of this month

Many welcome events planned

Sept 23rd: grand opening of the AS house

New AS Garden on San Salvador will be open in October

5. Administration & Finance: VP and CFO Charlie Faas

Presentation - Budget 101 [[link to slides](#)]

Comments/answers to question

The proportion of the campus budget for instruction has changed very little over time @ ~42%. 50% of our expenditure is on salaries, operating expenses are 14% and that is too small.

Budget is incremental (never zero-based). In addition, planning is difficult for two reasons: final budget approval from the legislature comes in July, many months after classes have already been scheduled in March. Secondly, the budget is negotiated annually. SJSU tries to plan on a 3-year time horizon. We get a quarter of the higher education budget, community colleges get 38%. The UC system gets the same amount as us but has half the students. In SJSU we have steadily increasing student numbers and the contribution of tuition to our revenues is rising, but the percentage contributed by the state is falling more rapidly at SJSU than at the other campuses.

Tuition is set by the Board of Trustees and is the same for all majors, and all campuses. Fees are set by the chancellor or president. Campus budget decisions are taken by the President

Reporting on recent developments, the CFO said that students wanting on-line classes may be related to lack of jobs in the Bay Area (can't afford SJ rent or travel). 40 percent of our students use VTA to access the campus. Disruptions have hurt their access. Speaking of online education, he said that our classrooms are not set up for hiflex modes of instruction. He also pointed out that the economy of downtown San Jose is significantly supported by staff and students. He ended with the happy news of the urban vibrancy return celebration on Fridays.

Budget Advisory Committee

(Special Agency of the Academic Senate)

AGENDA

Thursday, October 16 2021: 12:00 p.m.-2:00 p.m.

Via Zoom

Today's Minutes: Michael Kaufman

1. Approval of Agenda
2. Approval of September 16, 2021 minutes
3. Time certain 12.05 PM, visit by Professor Brandon White, Chair of the Senate Curriculum and Research Committee (topic: funding for accessibility in curriculum to be included in a policy recommendation that will shortly be presented to the Senate)
4. Associated Students Update: AS Controller (Maritza Molina) designee of AS President
5. Administration & Finance: VP and CFO Charlie Faas
6. Questions for budget presentation to Senate on October 25, 2021
7. Assigning members to record minutes (December 9)
8. Adjourn

**Budget Advisory Committee
(Special Agency of the Academic Senate)**

AGENDA

Thursday, October 16 2021: 12:00 p.m.-2:00 p.m.

Via Zoom

Today's Minutes: Michael Kaufman

Attendees: Sasikumar, Rodan, Prunty, Faas, Nathan, Semerjian, Rollerson, Jaynes, Monsur, Onita, Molina. Guest: Brandon White, Chair of Curriculum & Research

1. Approval of Agenda
Approved, one abstention
2. Approval of September 16, 2021 minutes
Unanimous approval
3. Time certain 12.05 PM, visit by Professor Brandon White, Chair of the Senate Curriculum and Research Committee (topic: funding for accessibility in curriculum to be included in a policy recommendation that will shortly be presented to the Senate)

Prof. White bringing Accessibility Policy update to Senate, including many requirements, many of which have a cost. Trying to ascertain if there are existing funding lines, internal or from the

CSU, for accessibility. Significant discussion about the types of materials that need to be available to all students. Distinction made between accommodations (e.g. extra time) and accessible materials. C&R is removing the vague language from existing policy around “to the extent possible.” Discussion about the division of responsibilities: AEC does accommodations, but faculty should have materials accessible on day one. Discussion of whether we can follow a model like that at CSU Northridge

4. Associated Students Update: AS Controller (Maritza Molina) designee of AS President
 - a. Appraisal of the Community Garden since AS might like to buy it
 - b. A number of board positions are open
 - c. Recruiting for student elections commission
 - d. Homecoming events went well
 - e. Charlie: praised AS for developing a 5-year plan
5. Administration & Finance: VP and CFO Charlie Faas
 - a. Praise for Kathleen Prunty, Susan Jaynes, and their staffs for all the work they have done getting ready for the budget year and report
 - b. Charlie ran through the Senate budget presentation for comment
 - c. Athletics budget up to 3.9% of General Fund – retention of winning teams, equity in team support; still below the midpoint for their respective conferences
 - d. Extensive discussion of CARES/HEERF funding
 - e. Charlie gave overview of efforts to get housing on secure financial footing
6. Questions for budget presentation to Senate on October 25, 2021
7. Assigning members to record minutes (December 9)
Susan Jaynes will take minutes on 12/9
8. Adjourn 1:54 PM

**Budget Advisory Committee
(Special Agency of the Academic Senate)**

AGENDA

Thursday, Feb 24, 2022: 12:00 p.m.-2:00 p.m.

Via Zoom

<https://sjsu.zoom.us/j/93679580616?pwd=bmE1QWhEd1RXcDYwT2swRDJQOUNzZz09>

(Also in Calendar invitation sent by Lisa Vlay)

Today's Minutes: TBA

1. Approval of Agenda
2. Approval of minutes of the meeting of October 21, 2021 (December meeting was canceled for lack of agenda)
3. Associated Students Update: Maritza Molina
4. Administration & Finance: VP and CFO Charlie Faas
5. Possible financial implications of
 - a. Lower enrollments from transfer students
 - b. Potentially reduced utilization of Event Center and Student Union
 - c. New division (Institutional Affairs)
 - d. New Title IX initiatives announced by the Interim President
 - e. New capital campaign and revenue raised
 - f. May revise
 - g. HEERF Funding timeline
 - h. Alquist building
 - i. AB 927 and potential approaches from community colleges
6. Adjourn

**Budget Advisory Committee
(Special Agency of the Academic Senate)**

Minutes

Thursday, Feb 24, 2022: 12:00 p.m.-2:00 p.m.

Via Zoom

<https://sjsu.zoom.us/j/93679580616?pwd=bmE1QWhEd1RXcDYwT2swRDJQOUNzZz09>

(Also in Calendar invitation sent by Lisa Vlay)

Today's Minutes: BJ Grosvenor

Attendees: Sasikumar (co-chair), Rodan, Prunty, Faas (co-chair), Nathan, Semerjian, Grosvenor, Kaufman, Rollerson, Monsur, Molina, and Onita.

1. Approval of Agenda
Approved

2. Approval of minutes of the meeting of October 21, 2021 (December meeting was canceled for lack of agenda items)
Approved

3. Associated Students Update: Maritza Molina

A.S. Elections 2022 applications are open for 22-23 Board of Directors and will close on Friday, February 25th at 5 PM. March 14 - April 11 you meet the candidates. April 11 - 15 students can cast their vote.

César Chávez Community Action Center Update: 45 applicants to Garden Fellowship Program, 13 accepted into the program · Green House completion done by Doctor Cydzik, and a cohort of students in a senior thesis project. The greenhouse is more than double the size.

Link to view: <https://www.sjsu.edu/as/departments/cesar-chavez-center/community-garden.php>

Professional Development workshop held for student assistants on February 18th.

Transitioned Parker Rugeley-Valle to Leadership & Government Coordinator Role

Recruiting for Child Development Center director

Recruiting for Events Coordinator

Postponed recruitment for Transportation Department Manager Coordinator to re-assess recruiting strategy

2022-2023 budget planning underway

4. Administration & Finance: Charlie Faas, Vice President for Administration and Finance/CFO

Provided context for the position of VP & CFO and the relationship to SJSU Auxiliaries and the Associated Students (AS). Under Faas' leadership he has created and maintained open lines of communication and provides advice and council to all entities. Associated Students (AS) has a 'model process' for how they manage and consider new fiscal initiatives and expenditures. It is a very clear process with all the divisions in AS being able to put forth their needs and vision for supporting students. AS maintains fiscal reserves and they consider expenditures very carefully.

An example of a recent initiative from AS was making the SJSU Campus Community Garden more physically accessible for all students who may have a mobility or visual challenge. This was a worthy expenditure of AS funds. They are working with VP Faas to potentially purchase the land the garden sits on. AS owns the Child Development Center.

Silicon Valley Business Journal – breakfast held annually. Today, 2/24/22 it was held again. At the downtown Marriott. SJSU was represented by the Interim President, Dr. Stephen Perez and Charlie Faas, VP of A& F/CFO. SJSU was complimented for our work and our presence in downtown San Jose by Mayor Sam Liccardo at least 10 times. The theme of the breakfast – the future of downtown. SJSU was included in the map indicating the major areas of downtown. Nanci Klein, Assistant Director of Economic Development /Director of Real Estate - City of San Jose also recognized SJSU in her speech. The SJSU Alquist building was also noted during the

event. Per the assessment of SJSU representatives in attendance, it is good for SJSU to be seen as an active participant in all things downtown.

5. Possible financial implications of

a. Lower enrollments from transfer students

UG first time freshman applications up by 13% for SJSU.

The whole systems is down 13.5% - SJSU is 10% down 12,407 transfer applications still coming in.

All the CSU's have 2 types of enrollments – state directed with X # of students 'allowed' on the campus. SJSU then receives tuition and funding. If a campus goes over the designated cap, SJSU would then only get tuition dollars but no additional funding.

Additional context from Kathleen Prunty (BAC Committee member) from LAO - Whereas the Governor proposes enrollment growth funding on top of the base increases in 2022-23, the universities would be required to accommodate 1 percent annual enrollment growth within their base increases over the remainder of the compact period (2023-24 through 2026-27).

b. Potentially reduced utilization of Event Center and Student Union

SU, SRAC, Event Center, Wellness Building – all are not major funding sources for the university. Chartwells (F&B) are up to 80-85% of their normal revenue as opposed to pre-pandemic. The SU and SRAC are experiencing increase in numbers of users. They are approaching close to pre-pandemic.

SU & Event Center are not hosting meetings. No concerts yet scheduled in the SJSU Event Center. Potentially in the fall a couple of concerts may be scheduled.

c. New division (Institutional Affairs)

Announced by Lisa Millora, Vice President for Strategy and Institutional Affairs & Chief of Staff via email to the campus. Had minimal impact to the campus fiscal dollars with this administrative change. Michael Crawford was brought in – to manage Strategic Communications. This is a new position.

d. New Title IX initiatives announced by the Interim President

Announced by the Interim President – now elevated into the President's Office.

We currently have unfunded mandates (5 new positions - investigators) based on the results and requirements of the recent litigation. SJSU is moving forward with hires to increase our important work in Title IX. These position expenditures are important to our current and future work.

e. New Capital Campaign - revenue being raised

The Capital Campaign has been in the planning process – what do we want to fund - Capital Projects? One idea put forth was for Moss Landing. Another was a place (building) and a collaboration between the health disciplines in the College of Health & Human Sciences. 12 areas were identified. SJSU is in the quiet phase of the campaign with the goal of \$350 million. We typically raise approximately 1 million a year. This annual goal would be larger than that. The campaign could go on for a 10-year period based on the plan to bring people along to motivate others to join. 1) money counted in the campaign is not automatically money in the current accounts. 2) money is often restricted by individuals donating. 3) It will be important to share with donors that money coming in is not fully open for the university to spend as they want.

- f. California State Budget - May Revise
The Governor will be announcing his revised budget in the month of May.
- g. HEERF Funding timeline – February 28, 2022 - all monies need to be expended. There are more requests for the money than we have money to spend. The expenditures needed to have already occurred. March 1st a final report is required to be sent to the federal government – close out.
- h. Alquist Building
This is moving forward. The BAC saw a ‘draft’ of renderings (not confirmed) and heard ideas for the building.

Additional information in relation to the planning of the project, note from Kathleen Prunty (BAC committee member) 2019 SJ Spotlight: city lawmakers on Tuesday unanimously approved height increases of up to 35 feet downtown and up to 150 feet in the Diridon Station Area. This translates to + 3 or 4 stories in downtown, +10-12 stories in Diridon area.
- i. AB 927 – Implications – Community College Approaches – no discussion and report on this. We will carry over this agenda item for the next BAC meeting.

Closing comment from VP Faas – ‘The needs on the campus are not diminishing as our needs are increasing.’

Comment from Tamar as the FAR representative and BAC member, Gymnastics has had a great year, with good attendance! Congratulations to Athletics.

6. Adjourn at 2:04pm

**Budget Advisory Committee
(Special Agency of the Academic Senate)**

AGENDA

Thursday, April 24, 2022: 12:00 p.m.-2:00 p.m.

Clark 540

Today's Minutes: Tamar Semerjian

1. Approval of Agenda
2. Approval of minutes of the meeting of February 22
3. Associated Students Update: Maritza Molina
4. Administration & Finance: VP and CFO Charlie Faas
5. Possible financial implications of
 - a. Class action lawsuit in sexual abuse of athletes' case (reported in *SJMN* March 22)
 - b. HonorsX sponsorship by Adobe
 - c. AB 927
 - d. End of HEERF
6. Adjourn

**Budget Advisory Committee
(Special Agency of the Academic Senate)
MINUTES**

Thursday, April 14, 2022: 12:00 p.m.-2:00 p.m.
Clark 540

Today's Minutes: Tamar Semerjian

Attendees: Sasikumar (co-chair), Rodan, Prunty, Faas (co-chair), Nathan, Semerjian, Grosvenor, Kaufman, Rollerson, Monsur, Molina, and Onita

1. Approval of Agenda
 - a. Approved
2. Approval of minutes of the meeting of February 24, 2022
 - a. Approved with the amendment proposed by Faas. "SJSU is in the quiet phase of the campaign with the goal of \$350 million. We typically raise approximately 1 25 million a year. This annual goal would be larger than that."
3. Associated Students Update: Maritza Molina
 - a. AS elections have come to a conclusion. New board will be announced shortly
 - b. Budget books have been closed
 - c. Marketing department competed in a graphics competition. 1st place for Spartan Strong logo, and 3 others were submitted
 - d. Transportation department "Go Anywhere" pass to be implemented in Fall 2022
 - e. Commuter podcast forthcoming

- f. A few vacancies for AS positions
- g. Working on finalizing budget for this academic year
- h. Faas identified the lack of people running for positions on the AS Board, the small number of people running opposed, and positions that remain vacant. Faas discussed lack of engagement in AS. Molina mentioned that this may be a result of having been in virtual spaces. With a return to in person meetings and more engagement on campus this could change. Faas recognizes that the pandemic had an impact, but given the number of students, it seems that there should be more student engagement. There was a discussion of why there may be lower student engagement on campus at this point across campus. Rodan brought up ways that faculty could highlight the importance and benefit of student government.

4. Administration & Finance: VP and CFO Charlie Faas

- a. In the lull period between the January budget notice from the governor and the May revise. the earmark season. The governor has a significant amount of one-time dollars. This governor has relied on one-time allocations, rather than increasing base money.
- b. One-time money for deferred maintenance could be helpful. We are working on 3 earmarks:
 - i. **Moss Landing Marine Laboratories** \$3-6 million to improve and permit a new dock. Working with Representative Mark Stone to advocate for this earmark. Improvements to MLML were 'recommended' by the WASC review.
 - 1. A bit of background on MLML. It is a place where excellent research is being done, but the facilities have not historically been well supported. All the faculty there are SJSU faculty, but there are students from several area CSU campuses. Students can register at CSUMB, take all classes with SJSU faculty, but will have their degree conferred from CSUMB. This muddies the waters regarding funding sources, as well as accreditation. We fund the lab, but others are benefiting from revenues as well as degrees being conferred from institutions that are not providing financial support for the master's program. Despite not having faculty from other institutions, the financial model remains, which leads to revenue loss for SJSU. Students enrolled at other institutions are generating FTES for those institutions, but are being taught and supported and funded by SJSU.
 - 2. Another earmark was requested for farming at MLML, for seaweed farming, and studying farm runoff in the Elkhorn Slough.
 - ii. A request of \$10-25 million for **Speed City Project** at the Santa Clara County Fairground to put in place a track and field facility, community center, and museum for the Olympic Rights movement. Working with Councilmember Chavez and Dr. Harry Edwards. This could also be a track and field facility which could be used by SJSU track and field athletes.
 - iii. **Wildfire resources** for Craig Clements' lab. \$5-7 million to continue to support the research being done in fire science.
 - iv. Sasikumar asks how decisions are made regarding what projects are promoted for earmark funding. Faas reports that this has to come with support from an assembly member, and thus it has to be something that is appealing to them.

- c. After May revise we will have a better sense of the budget. We do not anticipate more money for the CSU. There is no reflection of the salary increases in the current budget. The CFA negotiated and got increases, assuming there would be money from the state, which total 10+% increases. CSUEU is also negotiating this year. Other unions and MPPs are also looking to negotiate increases commensurate with the faculty raises. The trustees are also looking at faculty and staff salary levels to determine if faculty and staff are underpaid. Because of faculty salary increases, there are limited funds to increase salary for staff. With the massive outflow of faculty, and being low on the salary scale, it is challenging to see how the salary increases will be supported.

5. Possible financial implications of:

- a. Class action lawsuit in sexual abuse of athletes' case (reported in *SJMN* March 22). A short update was provided.
- b. HonorsX sponsorship by Adobe. The first 2 years of the pilot will be funded by Adobe. It is unclear how ongoing funding would be supported. This allows us 2 years to develop a high-quality Honors program. If at that point it is sustainable it will continue, and revenue streams would have to be identified at that time. HonorsX will also be highlighted during the Capital Campaign.
- c. AB 927. Faas reports that Del Casino does not see an impact for the SJSU campus, but rather for the CSU system overall. Rodan also reports that having seen the programs, there is less concern that the community colleges would be offering degrees that would encroach on our curricular offerings.
- d. End of HEERF, but SJSU will still be on the hook for the expenses that we have had for sanitation stations, wifi across campus, Zoom licenses, etc. Significant monies of the HEERF dollars (\$70 million) went to students directly. The campus received an extension to spend the money, but on this campus we spent down those monies by March 31st, 2022. Any remaining funds will be brought back to the university to ensure that unspent funds will be distributed appropriately.
- e. Kaufman asked about purchase requisitions and work flow. Prunty explained where there have been challenges regarding requisitions, which are sometimes incomplete, which can delay the process.

6. Adjourn

**Budget Advisory Committee
(Special Agency of the Academic Senate)**

AGENDA

May 5, 2022: 12:00 p.m.-2:00 p.m.

Clark 540

Today's Minutes: Karthika Sasikumar

1. Approval of Agenda
2. Approval of minutes of the meeting of April 14
3. Associated Students Update: Maritza Molina
4. Administration & Finance: VP and CFO Charlie Faas
5. Thanks to the members who are stepping off BAC
6. Adjourn

Budget Advisory Committee Minutes

May 5, 2022—taken by Karthika Sasikumar

Present: Maritza Molina, Charlie Faas (CFO and co-chair), Tamar Semerjian, BJ Grosvenor, Karthika Sasikumar (co-chair)/ Via Zoom: Simon Rodan, Jennifer Nathan, and Michael Kaufman (Colin Onita and Sami Monsur joined later)

The meeting began with the approval of the minutes of the previous BAC meeting of April 14, 2022. These were taken by Tamar Semerjian, and were approved unanimously by those present. The next item was the update presented by the representative from Associated Students (AS), Controller Maritza Molina.

She reported that the AS Child Development Center (CDC) has 81 enrolled children in Spring 2022 and that the new Director (previously interim) has started her position. The AS General Services Center has closed its books and its financial audit is slated to start. A digital screen was added in the AS Lobby for marketing purposes. She also reported that AS held a Leadership Gala last Tuesday. Admitted Spartan Day was hosted both virtually and in person. They were able to hire a new transportation development manager, a position that has been vacant for a while. Faas added that the transportation solutions group in AS fills a critical need. It partners with different transit systems. AS spends a million dollars per year on Smart Passes for students to access transit services. Ideally, there would be a relationship with BART at some point. This group has embarked on a survey of transportation needs for the future. SJSU does not have a lot of influence on VTA because their ridership is so low.

Finally, Maritza Molina reported that the budget for the new academic year was approved at the AS meeting on May 4. The next step is for the CFO, and then the President, to approve the budget. However, since they have already posed their questions to the student leaders, this budget is sure to get approved. Maritza will be graduating, and the new controller is Antonio Maldonado. He has already been on the Finance Committee.

Continuing the discussion of transportation, Simon Rodan asked about electric vehicles (EVs) and charging stations, and how these will be provided for on campus. Charlie Faas reported that these are provided for in the Campus Master Plan. The 7th Street Garage will eventually be removed, anticipating that fewer cars will be coming to campus. He also reminded members that by installing charging stations, which are often on the lower and more desirable floors, you are excluding a non-EV and this causes controversy as unions have negotiated parking rights. With the new CBA, he ensured that the parking rate can go up by the percentage of increase in faculty salaries. But this does not mean much, given that students pay forty dollars a month, and faculty pay half that for parking on campus whereas to park across the street costs \$125. However, if our faculty are making a 2-hour commute in, we have to give them some options. As EVs become more popular, either due to government mandate or other reasons, we will have to update our parking and charging stations accordingly. Karthika Sasikumar reminded members that both students and faculty are increasingly facing fragmented schedules. As a result, decisions about what classes to teach or attend are being driven not by interest, but by availability of transportation options. This is a serious problem and will only get worse as employment becomes precarious.

The CFO, Charlie Faas, then shared his update. He anticipated that the California state budget's May revise would be published within a day or two. The Governor had proposed a five percent compact in January, by which he promised a five percent increase to the CSUs and UCs per year, but at the same time he wanted the universities to promise that to earn this increase, certain targets would have to be met (graduation rates etc.). Charlie Faas pointed out that, if the university is increasing enrollment, it would incur expenditures (to hire faculty etc.). Plus, the norm is that the university is committed to a 3 percent annual salary increase, and 75 percent of our expenditure is labor. The Senate and the Assembly had not approved this big (5%) increase. We are unlikely to learn more about earmarks either.

California has been collecting massive tax revenue during the pandemic, and has reserves over what it is, by law, allowed to keep. Therefore, the state must distribute it in one-time funding. Recently, a staff salary study was concluded and the findings were made public: staff are underpaid to between 12 to 20 percent as compared to the market. This is not surprising. The state is not going to fund the rectification of this discrepancy, as expected by staff. This would amount to around 600 to 700 million dollars in base funding.

Faas said that, in his opinion, the CSU cannot have infinite growth. For instance, we cannot have all courses on all CSU campuses. The enrollment population is falling in many places in the state. We may have to reduce the number of campuses and offerings. SJSU has been blessed with stable numbers. Every degree gets the same dollars, although costs vary wildly. If the system won't give us more, how do we retain people given our higher cost of living? How do we make tech companies pay for access to our students? We need to figure out some creative solutions. We have only two sources now: state or student money. We need to look at revenue streams.

Simon Rodan posed a question about why are we fixated on growth. Are there economies of scale associated with higher education? His second question related to the evolving scientific understanding of COVID transmission. He asked whether the ventilation and filtration systems in classrooms and meeting spaces were up to code on our campus. Charlie Faas said that we are as much in compliance as we can be. Recirculation is easier in newer buildings. In our older buildings, we are still meeting legal requirements. Jennifer Nathan said that she was concerned specifically about the Admin Building not having adequate circulation. The CFO said that the Admin Building would be subject to extra analysis.

Tamar Semerjian reported that she had just returned from the Mountain West Conference meetings. The Alston ruling allows universities to pay students for academic performance (based on GPA). She asked if there was a plan to do so on our campus. If we do not have such a plan, that would mean that we were not competitive with other campuses. The CFO responded that we have 540 athletes and the sum would come to 3 million dollars if they were rewarded for good academic performance. One proposal is to pilot this with our football and women's golf teams. We could search for a donor or partnership to reward our students. He said that he was just scratching the surface on this. Another interesting question is whether the ruling also applies to e-sports or the debate team. The Name, Image, Likeness (NIL) process has made it possible for boosters to give gifts directly to student athletes.

The meeting concluded with the CFO warning that once we pay salary increases and stave off the attrition rate among staff, we may have to go into reserves this year, even if we have a banner year from the governor. We have a diminishing return from enrollment once we go above the target set by the state. Growing our way out of this is not the answer. He suggested that perhaps this was the time to 'push the money to the center of the table and save it.'

Tamar Semerjian asked for some guidance for the chairs of departments regarding spending for the upcoming fiscal year. Sami Monsur responded that they were trying to make the DROs a bigger resource for the chairs to guide their financial decisions. She also shared information about a website which allows authorized users to access financial information about their colleges:
[Sites.google.com/sjsu.edu/aa-resource-hub/enrollment](https://sites.google.com/sjsu.edu/aa-resource-hub/enrollment)