

## 2017-2018 Year-End Committee Report Form

**Committee:** Budget Advisory Committee

**Chair:**

Charlie Faas  
Ravisha Mathur

**Chair-Elect for 2018-2019:**

Charlie Faas (4-1500/ Charlie.faas@sjsu.edu)  
Ravisha Mathur (4-3666/0075/ravisha.mathur@sjsu.edu)

**Number of Meeting held:** 7

(Please include phone/zip/email if available)

### Items of Business Completed 2017/2018

1. Reviewed and provided recommendations on the University Budget presentation to Senate.
2. Reviewed and provided recommendations on the Academic Affairs Budget presentation to Senate.
3. Discussed SJSU implementation of Lottery Fund Act and Library acquisitions budget.
4. Discussed concerns of changes in Spartan Shops catering and food operations.
5. Discussed concerns regarding University Advancement and funding operations.
6. Discussion of 2018-2019 Operating Budget Plan and planned decision-making.
7. Discussion of budget alignment with the Strategic Planning initiatives.
8. Reviewed slides from 2018-2019 Budget Update and Planning Framework presented to President's leadership council.
9. Provided feedback to VP Faas for the President for budget decision-making over the summer (after May revise)
10. Discussion of budget model changes and impact to colleges.

### Unfinished Business Items from 2017/2018

1. Discussion of impact of changes in budget model.

### New Business Items for 2018/2019

1. Move from education focus to reviewing assessment rubrics.
2. Continue discussion of use of lottery funds
3. Discussion of SSETF funds.

**Please return to the Office of the Academic Senate (ADM 176/0024) by May 31, 2018.**

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

**AGENDA**

**Thursday Sept. 7<sup>th</sup>, 2:30-4:30pm**

**Location: Clark 540**

***Scribe: TBA***

1. Approval of May 17, 2017 minutes.
2. Reschedule 9/28, 10/26 dates. Determine spring BAC meeting dates.
3. Review and discuss implementation of the responsibilities as outlined in [F15-9](#) (sec. 1.3)
4. Discuss work-plan for AY17/18.
5. October 9<sup>th</sup> Senate Budget presentation (discussion and feedback)

**Budget Advisory Committee Meeting**  
**September 7, 2017**  
**2:30pm- 4:30pm**  
**CL 540**

**Present:** Ravisha Mathur, Charlie Faas, Bradley Olin, Susan Jaynes, Simon Rodan, Michael Kaufman, Sandy Hirsh, Ariadna Manzo, BJ Grosvenor  
**Absent:** Kathleen McConnell

1. Minutes of previous meeting approved.
2. Schedule of meetings for this fall:
  - a. Friday September 29, 1:30-3:30pm
  - b. Monday October 23, 12-1:30pm
  - c. Thursday November 30, 1:30-3:30pm
3. Discussion of committee charge and plans
  - a. Last year – Focus of the committee was planning and educating about the budget process.
  - b. This year – Based on the Budget Advisory policy the focus should be on providing input and making recommendations to the President on budget (planning, implementation, review). We should make recommendations on campus priorities as linked to strategic planning.
  - c. Next year – Focus on developing assessment rubrics for budgeting. Role of the committee is to educate the campus and disseminate information; to make budgets as transparent as possible.
4. At the next meeting, the committee will provide input on the planned Senate Budget presentation (95% draft)
  - a. Committee further discussed a range of topics that are likely to be raised at the Senate.
5. Adjourned at 4:30pm.

Minutes recorded by Michael Kaufman.

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

**AGENDA**

**Friday Sept. 29th, 1:30-3:30pm**

**Location: Clark 540**

***Scribe: TBA***

1. Approval of September 7, 2017 minutes.
2. Review and provide feedback for October 9<sup>th</sup> Senate Budget Presentation.
3. Discussion of Air Conditioning (costs of alternative cooling solutions)

**Budget Advisory Committee Meeting (Special Agency of the Academic Senate)**  
**Friday, September 29, 2017**  
**1:30-3:30pm**  
**CL 540**

**Present:** Ravisha Mathur, Charlie Faas, Bradley Olin, Susan Jaynes, Simon Rodan, Michael Kaufman, Sandy Hirsh, Ariadna Manzo, BJ Grosvenor, Kathleen McConnell

**Absent:**

**Minutes:**

1. Minutes of previous meeting approved.
2. Introductions between Kathleen McConnell and Susan Jaynes.
3. Follow-up to prior meeting discussion regarding State Auditor Report and MPP headcounts. Handout shared by Charlie.
4. Draft of University Budget presentation to Academic Senate shared by Charlie.
  - a. Simon recommended incorporating additional quantitative metrics, referencing total budget and commitment amounts.
  - b. Ariadna inquired about how much the CSU is contributing to GI2025 versus campus. Charlie responded that we have performed a review and he will address that question with a new slide included in the presentation.
  - c. Discussion regarding the classroom clocks project (common time, speaker/LED to communicate to classrooms).
  - d. Discussion of ISB and design timeline, changes to the CSU funding framework for capital and buildings.
  - e. Discussion of housing needs for faculty.
  - f. Question regarding fundraising and University Advancement. Charlie indicated that he has asked Paul Lanning for a historical update on funds raised and how they were allocated.
  - g. Discussion of deferred maintenance as a priority.
  - h. Concern shared regarding HGH bathrooms. Charlie indicated that he would investigate and follow-up.

Minutes recorded by Susan Jaynes.

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

**AGENDA**

**Monday October 23, 2017, 12:00-1:30pm**

**Location: Clark 540**

***Scribe: TBA***

1. Approval of September 29, 2017 minutes.
2. Discuss Senate Budget Presentations
3. Lottery Fund
  - a. Discussion of implementation of Lottery Fund Act and Library Acquisitions Budget
4. Spartan Shops
  - a. Discussion of changes in Spartan Shops catering and food services operations

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

**Minutes**

**Monday October 23, 2017, 12:00-1:30pm**

**Location: Clark 540**

**Present:** Ravisha Mathur, Charlie Faas, Simon Rodan, Michael Kaufman, Sandy Hirsh, Ariadna Manzo, Billie Jo Grosvenor, Kathleen McConnell

**Absent:** Marco Pagani, Bradley Olin, Susan Jaynes

**Scribe:** Billie Jo Grosvenor

**Minutes:**

1. Minutes of September 29, 2017 approved with one correction, Billie Jo Grosvenor absent due to professional travel.

2. Reviewed the Senate Budget Presentation and questions that were asked. Discussed one of the slides that generated further questions. Discussed fundraising efforts and future capitol campaigns as mentioned in the Senate. It was acknowledged that there was an appreciation for the detail in both presentations.

3. Discussion of implementation of Lottery Fund Act and Library Acquisitions. SJSU spends a total of 3 million on library acquisitions. Lottery funds support the acquisition budget to a level of 1.9 million.

It might be a benefit to look historically at the budget for library acquisitions, as well looking at what SJSU set as the financial priorities in the past for incoming lottery funds. Another examination should be to look at how lottery fund expenditures are being made and by whom?

4. Discussion of changes in Spartan Shops catering and food services operations. SJSU will be advertising an RFP (late December 2017) for all food and beverage operations on campus. There is a consultant currently looking at the functionality and evaluation of Spartan Shops operation.

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

**AGENDA**

**Thursday November 30, 2017, 1:00-2:00pm**

**Location: Clark 540**

***Scribe: TBA***

1. Approval of October 23, 2017 minutes
2. Updates about the Lottery Fund
3. University Advancement (tentative)
4. Planning dates for spring 2018



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

**Thursday November 30, 2017, 1:00-2:00pm**

**Location: Clark 540**

**Present:** Ravisha Mathur, Charlie Faas, Simon Rodan, Michael Kaufman, Sandy Hirsh, Billie Jo Grosvenor, Bradley Olin, Susan Jaynes, Ariadna Manzo, Marco Pagani

**Guest:** Marna Genes

**Absent:** Kathleen McConnell

**Scribe:** Billie Jo Grosvenor

1. Approval of October 23, 2017 minutes  
Approved, no changes.

2. Updates about the Lottery Fund

Marna Genes provided some historical information regarding the lottery fund.

Allocations to SJSU are 2.0 to 2.2 million per year. Our allocations are going to remain steady. In 2003-2004, the lottery funds were treated as budget back-fill. In 2008-2009, SJSU changed how these funds were allocated (as allowed by the CSU guidelines). At this time we moved the lottery fund into the general fund. In 2010-2011, the money was pulled back out and put into a discrete fund. The decision was made to put it as base funding of the library acquisitions fund.

One suggestion was to pull some of the money to be used for the original purposes (e.g., one-time RSCA funding). However, it was discussed that it could be difficult to interpret the lottery rules in an application process. Each request of funds would need to be determined as 'lottery eligible.' There is a practicality element to manage a 2.0 million RFP process annually.

In 2014, the Chancellor's office engaged in a lottery audit of six (6) campus. This generated more instruction and clarity to the campuses and specific guidelines were created. This information was made available to the financial entity on campus. There is a report on the results of this audit on the Chancellors website. It was noted that use of lottery funds at SJSU was not inconsistent with the 6 campuses audited and is currently in compliance with CSU guidelines.

The SJSU annual budget shows where the lottery funds are designated and spent. This information is available on the university's website. The BAC will continue to review the use of these lottery funds.

3. University Advancement (tentative)

Delayed until next meeting, a representative was unable to attend today.

4. Planning dates for spring 2018

Our meetings dates were picked to be the 3<sup>rd</sup> Friday of each month from 3:00pm-4:00pm.

5. RFP for Spartan Shops.

An update was provided on the RFP (Feb/ Mar deadline for submission) and the performance improvement plan for Spartan Shops which could keep them in the running to bid on the RFP. The RFP is intended to be longer in nature, possibly 10-15 years.

6. Future Agenda Item Suggestion

Tax implications, Pell implications, Donating to SJSU, Graduate Students

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

**AGENDA**

**Friday February 16, 2018, 3:00-4:30pm**

**Location: Clark 540**

***Scribe: TBA***

1. Approval of November 30, 2017 minutes.
  
2. University Advancement
  - a. Paul Lanning, Vice President of University Advancement and CEO of Tower Foundation
  
3. Budget shortfall: University planning process for decision-making
  - a. Discussion of 2018-2019 Operating Budget Plan
  - b. Critical pressures and impact on the campus and student tuition

**Budget Advisory Committee (Special Agency of the Academic Senate)**  
**MINUTES**  
**Friday February 16, 2018, 3-4:30pm**  
**Location: Clark 540**

Present: Sandy Hirsh, Billie Jo Grosvenor, Marco Pagani, Charlie Faas, Bradley Olin, Simon Rodan, Michael Kaufman, Susan Jaynes, Ariadna Manzo, Ravisha Mathur

Guests: Marna Genes, Paul Lanning

Scribe: Sandy Hirsh

1. Approval of November 30, 2017 minutes

Approved, no changes.

2. University Advancement: Paul Lanning, VP of University Advancement and CEO of Tower Foundation

- University Advancement is external facing and advances the brand and mission to those audiences; all gifts go through the Tower Foundation; oversees endowment and investments (\$156.3M) - distributed 4% last year and is the goal each year. University Advancement is funded by university budget and Tower foundation budget; some comes from General Fund. The focus is on the second phase of university branding initiative (“my story is here”) and fundraising work (\$73.5M in new gifts and pledges in the last two years).
- BAC members asked several questions about advancement activities and functions. Some of the discussion is reflected here:
  - 13.3% was earned on portfolio last year.
  - Trying to lower administrative fees from 2% to 1% across the board.
  - Trying to lower the costs for expending funds – down from 5% for each time that funds are expended.
  - Next comprehensive campaign – goal will be to get to a \$300M endowment (double of where we are now). One focus will be on faculty support (endowed faculty); this is the amount that is needed for an endowed position: \$3M for an endowed chair and \$1M for an endowed professor.
  - Innovation Wing of the Science Building - \$50M effort (all privately funded); has a \$500K pledge for that right now. Eight-story tower is public dollars. Need to have 100% of money pledged and 50% cash in hand on capital projects before starting to build.
- Good news! \$5M distribution from the endowment this year (growing the endowment through new gifts; good investments). Fundraising results are good so far this year – stated goal for new gifts and pledges \$32.5M.
- CSU’s first fundraising was in 1993 – so fundraising is very young in the CSUs. Tower Foundation is only 11 years old at SJSU. There has only been one campaign EVER at SJSU.

- Charlie Faas wants to improve Residence Life for students (and other experiences) as this will help cultivate future donors and build closer affiliations with the university. Currently, it has been a transaction-based process but we need to do more. Need to develop strong campus pride.
- Gala this fall will address food insecurity through a student hunger fund or a new center on campus related to student hunger. Tower Board determines how the proceeds will be used.
- Athletics giving is often a gateway to giving back to academic giving too.
- Discussed need to buy land around SJSU or nearby for faculty and staff housing – or perhaps on transportation lines that are further out.

### 3. Budget shortfall: University planning process for decision-making

#### a. Discussion of 2018-2019 Operating Budget Plan

#### b. Critical pressures and impact on the campus and student tuition

- Budget shortfall for next year – There is a big gap between what we were expecting in terms of state allocation and what the governor is proposing to allocate. \$171M is the opening shortfall after the \$92M from the state. Governor is putting money away for rainy day fund. Will board of trustees approve a tuition increase? Will governor give some additional money over the \$92M he has currently indicated? What will we do in response at CSU? Our share of the shortfall at SJSU is about \$8M of the \$171M. There will be discussions over the next two months about impact on SJSU initiatives.
- Early March – there will be a campus presentation explaining the problem (educate the campus community). The campus needs to move toward a three-year budget model – a multi-year approach to this problem. There will be a May revise -- June will be the final budget.

Meeting adjourned at 4:45pm

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

**AGENDA**

**Friday March 16, 2018, 3:00-4:30pm**

**Location: Clark 540**

***Scribe: TBA***

1. Approval of February 16, 2018 minutes.
2. Campus Strategic Planning Initiative: Significant budget implications
  - a. Stefan Frazier, Co-Chair, SJSU Strategic Advisory Committee
  - b. Recommendations
  - c. Aligning with taskforce activities
3. 2018-2019 Budget Update and Planning Framework: Presentation to President's Leadership Council, Charlie Faas
4. Discussion: Funding models across the colleges, Bradley Olin
5. How and when to implement the responsibilities as outlined in [F15-9](#)
  - a. Discussion of priorities within policy
  - b. Creating a timeline for the committee

**Budget Advisory Committee (Special Agency of the Academic Senate)**  
**MINUTES**  
**Friday March 16, 2018, 3:00-4:30pm**  
**Location: Clark 540**

Present: Charlie Faas (Co-Chair), Susan Jaynes, Michael Kaufman, Ariadna Manzo, Ravisha Mathur (Co-Chair), Kathleen McConnell, Bradley Olin, Marco Pagani

Guests: Marna Genes, Stefan Frazier

Scribes: Susan Jaynes, Kathleen McConnell

1. Scheduling of following BAC and campus meetings
  - a. Campus Budget Forum tentatively planned for April 19, 2018 from 11am – 12pm. Committee members should attend.
  - b. Cancel BAC for April 20, 2018 and resume schedule with May 18, 2018 3-4:30pm meeting.
2. Approval of February 16, 2018 minutes
  - a. Approved, with a clarification that the fundraising total of \$73.5M in new gifts and pledges referenced in minutes covered the last two fiscal years.
3. Campus Strategic Planning Initiative: Guest Stefan Frazier, Co-Chair, SJSU Strategic Advisory Committee
  - a. Discussion of how the strategic planning process overlays with budgeting process and priorities.
  - b. 2 handouts from Stefan: Draft Goals and supporting Desired Outcomes.
  - c. Conversation as to the challenges of associating quantitative metrics and indicators with desired outcomes. Discussion regarding metrics that will show progress (e.g., faculty satisfaction survey; social mobility index; participation in certain programs; reduced teaching load in service to HIPs and greater involvement of students in research).
  - d. Discussion about outreach to key point people to obtain feedback on desired outcomes.
  - e. Brief discussion as to how the committee responsibilities as outlined in [F15-9](#) support budgetary requests put forward as a result of the Campus Strategic Planning Initiative. Suggestion offered that the Campus Strategic Planning Initiative first craft the vision and goals, then the budget advisory committee review specific budgetary requests/proposals associated with the implementation of those goals.
  - f. Follow-up: Share contacts for Strategic Planning communications with Stefan. Stefan will discuss budgeting and priorities with the taskforces.
4. 2018-2019 Budget Update and Planning Framework: Presentation to President's Leadership Council, Charlie Faas

- a. Slides shared with PLC were largely based on the slides and discussion held at last BAC meeting, with additional details pertaining to anticipated schedule.
- b. Reviewed the timeline of Assembly and Trustee budget decisions, and timeline for division-level budget requests. Board of Trustees will consider the tuition fee increase on May 16, 2018. Vote could possibly push to after the State Budget is approved in June 2018.
- c. Campus will be looking for efficiencies to mitigate anticipated budget gap (e.g., centralized services).
- d. Charlie recommended that the committee consider what the university can do with less of in order to realign stagnant resources towards campus priorities (e.g., could we cut grass less often, clean every other day).
- e. Feedback can be gathered from campus constituencies after the budget forum for planning purposes.

Meeting adjourned at 4:40pm

Unfinished business:

1. Discussion: Funding models across the colleges, Bradley Olin
2. How and when to implement the responsibilities as outlined in [F15-9](#)
  - a. Discussion of priorities within policy
  - b. Creating a timeline for the committee



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

**AGENDA**

**Friday May 18, 2018, 11:00am-12:30pm**

**Location: Clark 540**

***Scribe: TBA***

1. Approval of March 16, 2018 minutes
2. Planning for AY18/19
3. Campus Budget Forum Review and California Budget May Revise Implications
  - a. Follow-up/feedback from Campus Budget Forum
  - b. CA Budget May Revision: Implications for SJSU
4. Discussion: Funding models across the colleges, Bradley Olin
5. How and when to implement the responsibilities as outlined in [F15-9](#)
  - a. Discussion of priorities within policy
  - b. Creating a timeline for the committee

**Budget Advisory Committee**  
**Minutes**  
**Friday May 18, 2018, 11:00-12:30pm**  
**Location: Clark 540**

Present: Charlie Faas (Co-Chair), Billie Jo Grosvenor, Sandy Hirsh, Susan Jaynes, Ravisha Mathur (Co-Chair), Kathleen McConnell, Bradley Olin, Marco Pagani, Simon Rodan

Guests: Sheryl Ehrman [Michael Kaufmann's designee], Marna Genes

1. Minutes of Minutes of March 16<sup>th</sup> were approved (9-0-2)
2. Campus Budget Forum Review and California Budget May Revise Implications
  - a. CFO Charlie Faas reported:
    - i. There has been no increase in CSU base (recurring) funding in the Governor's May budget revise. He cautioned that Trustee Sabalius' report to the Academic Senate may have been overly optimistic; any increase in funding coming from the legislature faces competition for dollars from other demands on State funding.
    - ii. The CSU has been given a one-time infusion of \$100m for infrastructure projects.
    - iii. There *may* be an increase in base funding in the legislature's negotiations with the Governor in June.
    - iv. Most state supported universities have relatively weak philanthropic support as donors see funding State institutions as the State's responsibility.
  - b. Discussion
    - i. The cabinet should consider dedicating some money to new campus initiatives.
    - ii. Most philanthropic giving is athletics related; general fund donations are tiny. The Tower foundation might create an academic funding category to ring-fence donations for academic needs.
    - iii. The campus needs to plan for the worst case scenario, hence the centralization of unused faculty line budgets. This money can then be re-dispersed to fund strategic priorities.
    - iv. The change to the repatriation of unused money applies only to faculty lines. If adjuncts are hired to teach classes for which a TTF faculty

member had been in the plan but not hired, the university will cover the cost to the college.

- v. Some colleges have Operating Expenses & Equipment (OE&E) money that was allocated for projects that have not been realized; Academic Affairs has asked that all such OE&E surpluses be spent or returned to the division in two years. Approved capital projects for which OE&E money has been earmarked are not required to “spend down or return”.
- vi. The College’s budgeting baseline was reset in AY 12/13.
- vii. There is variation across colleges in the way each college manages the budgets internally – some manage it from the Dean’s office, others do so at the departmental level.
- viii. Since some colleges have access to outside sources of funds and this is factored into discussions on allocation.
- ix. Re-purposing of money from one OE&E category to another should only be done for “big ticket” items. Unused OE&E should not be “spent-down” on non-essential and non-strategic items. The campus’ strategic plan should be the touchstone for reallocation of funds from one category to another. For example, reallocation within travel is acceptable; using travel funds to buy furniture isn’t.
- x. Currently, there is no centralized capital planning processes, it being done at the college level; a new capital planning framework is under consideration.
- xi. The President’s cabinet will approve funding allocation across the divisions, not the colleges.
- xii. Adjunct faculty salary is handled from a central pool.
- xiii. All colleges are expected to grow enrollments this year.
- xiv. It is not expected that the interim provost will make any major changes to Academic Affairs funding model.
- xv. Some differences of understanding about the spend-down request exist in the colleges; some college resource managers are saying that no funds can be rolled over to the following year. There was a request for clarification and an increase in communication between A&F and the colleges/departments. Details of the funding model will go out in the resource allocation memo; a preliminary memo may be sent out.
- xvi. Money left in OE&E budgets at the end of the year will be credited to future needs.

- xvii. The repatriation of allocations for unfilled faculty lines will provide the university with about \$8m this year.
- xviii. F&A is concerned that lots of “small pots” of unspent money when aggregated sum to significant amounts which doesn’t look good when trying to make the case for increase state funding.

3. Planning for AY18/19

- a. Meetings for next year will be on (where possible) the third Thursday of each month from 12:00pm to 2:00pm, with the first four meetings on: Aug 23<sup>rd</sup>; Sept 20<sup>th</sup>; Oct 18<sup>th</sup>; Nov 15<sup>th</sup>; and Dec 13<sup>th</sup>.

Meeting was adjourned at 1:00pm  
Minutes prepared by Simon Rodan