

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE EDUCATIONAL RESOURCES COMMITTEE

MINUTES OF MEETING 03-12-2019 APPROVED BY COMMITTEE 05-14-2019
Sub. To Exec. Comm. _____ Approved by Exec. Comm. _____
Sub. To Acad. Senate _____ Approved by Acad. Senate _____
POLICY ITEMS _____

Members Present:

Dianne Bartlow, Lindsay Brown, Nazaret Dermendjian, Kim Henige, Greg Knotts, Linda Noblejas-Sapuay (recording), Jerald Schutte, Yarma Velazquez-Vargas, Dino Vrongistinos, Melanie Williams

Members Excused:

Josh Sides, Diane Stephens (non-voting)

Guests:

Colin Donahue, Ken Rosenthal

1. Call to Order

The meeting was called to order at 2:02 p.m.

2. Welcome and Introductions

Dermendjian welcomed the new members to the committee. Introductions followed around the table.

3. Approval of the Agenda

The agenda was approved.

4. Approval of the ERC Meeting Minutes of December 11, 2018

The minutes of the ERC meeting of December 11, 2018 were approved with abstentions.

5. ERC Chair's Report

Dermendjian stated that there is a structural deficit with the budget and this deficit will be taken care of the central reserves this year as a one-time contribution. However, using central reserves makes the campus less sustainable. It is a one-time solution but it decreases the resiliency of the campus. Our campus relies on non-resident fees that are incorporated in the base budget. Because our international student numbers are

decreasing, those fees are decreasing as well. It should not be part of the base budget because it is not a steady flow of income.

Dermendjian stated that at the last meeting, the Committee spoke about the possibility of looking into the fee structure and different scenarios with their own advantages and disadvantages. ERC does not have the authority to change the fee structure as a committee, nor does CSUN as a campus, but ERC can send a resolution to the Faculty Senate so in turn they can have a resolution to inform the CO that we as a faculty understand that there are issues with the existing fee structure. Campus budget comes from two revenues, from the state and from student fees. There is a fee for up to six units and another fee for 6.1 units and above. Since there has been an increase in the average unit load (AUL) with students taking more units (due to GI 2025), the fees from the students do not change. We are offering more classes with the same income and no funding or revenue for additional classes.

One option is to increase the fees for student who are taking above a certain number of units. The disadvantage is it will discourage students to take more units and will affect our GI 2025 goals of 30 units per year. Another option is to change the fees per unit. It is worth for us to discuss what possibilities we would like to recommend to the Faculty Senate. Discussion ensued if there are other CSU campuses considering this change, looking at the impact on the community and the students we are serving in detail, who will be doing the work to get the data and move forward with this endeavor, how people respond to the change, projection of behavior on the different option of change, etc.

6. University Budget Update – Colin Donahue

Donahue mentioned that new software, Questica, will be implemented on campus for budgeting, forecasting, etc. This will be a tremendous help for the campus in terms of budget planning.

Donahue provided a quick three-year look or strategy on what the campus is trying to achieve with the budget. This year for the budget planning for 2019-20, the campus is trying to start early. He wants to do a more holistic discussion. He showed the summary of the mid-year permanent reduction for 2018-19 in which all divisions are taking a 2.5% cut in their base budget. Each vice president had the latitude and had their own discretion how reductions are handled in their division. The campus is also having a one-time central reserve contribution of \$4.4M. He also showed the reserve/carry-forward balances from 2013-14 to 2017-19.

For 2019-2020, the CSU requested \$554.3 million for the Operating Budget. The Governor's January proposal was \$300 million and \$262 million on one-time adjustments for deferred maintenance and basic needs initiative. The ongoing operating costs of \$193 million only covers employee salaries and mandatory costs. Our request for student enrollment growth was 5% but the Governor only gave 2%. For Graduation Initiative 2025 requests was \$75M and the governor only gave \$45M.

The primary budget pressures includes:

- a. Employee compensation and benefits costs exceeding annual designated budget allocations
- b. Student success: increasing AUL equals additional expenses with no increase in fee revenue
- c. Non-resident enrollment has decreased by 30% over a three year period, resulting in a \$6.3M decline in annual marginal non-resident fee revenue. The campus needs to be purposeful in recruiting domestically and look at particular programs that can stand out and be marketed for the campus.

Some of the budget strategies that the campus is undertaking for the next three years are to erase the structural operating budget deficit, invest in campus priorities, and set up the campus for continued success through a period of slower economic growth. For 2018-19 budget, the campus is addressing the \$10.2M deficit with the combination of \$5.8M in divisional reductions and the \$4.4M in one-time central reserve spending. The campus is also investing GI 2025 funding primarily to increase tenure track level faculty serve increased enrollment to Academic Affairs, and fund AUL induced enrollment.

Donahue also shared the following proposed overarching planning goals for 2019-20.

- a. Reduce remaining operating budget deficit.
- b. Resume specific funding of stated campus priorities, both through operating funds and other non-state sources.
- c. Invest in the campus physical plant for the benefit of current and future students, faculty, and staff.
- d. Advance initiatives to increase non-state revenue.

He stated that for the 2020/21 Operating Budget Outlook, the campus is looking at two scenarios:

- a. Continued growth scenario -- based on actions in previous two years, CSUN is within striking distance of a balanced base budget. If budget outcomes are similar to 2019/20, CSUN will be in a position to erase the deficit and achieve a fully balanced budget.
- b. Economic downturn scenario-- by reducing operating deficit by \$7-8M over the previous two years, CSUN will be in a stronger position to weather potential State budget shortfalls. In either case, CSUN will be in a position as a campus better than other CSU campuses.

Discussion ensued with questions on the campus priorities and the mission of the university, removing non-resident revenues as part of the base budget, hiring tenure track using the GI 2025, how to convince the Chancellor's Office that focusing solely on increasing AUL is a fool's errand as it will decrease the total budget able to be allocated to each of the 23 campuses

7. Facilities Update – Ken Rosenthal

Rosenthal stated that he provided this same presentation on the campus project update at the last Faculty Senate. He has organized the projects into three– projects in construction, projects in design, and future projects. There are also unfunded PPM priority maintenance projects or deferred maintenance.

- a. Projects in Construction includes:
 - i. Central Plant Heating Hot Water Piping Replacement that has been in the works for two years now and is slated to be completed in December 2019. All money for this replacement is from the Chancellor's Office. It will replace all the heating and hot water lines on campus
 - ii. Electrical Infrastructure Replacement - Staff have been working for 18 months working through holidays. This is funded through the Chancellor's Office critical infrastructure funds.
 - iii. Satellite Central Plant Cooling Tower Replacement Boiler House (Fuel Cell Site) – partially funded by critical infrastructure from CO, partially funded by deferred maintenance. It is slated to complete in late Summer/ Early Fall 2019
 - iv. G6 Parking Structure with 1,550 stalls in construction and funded through Parking.
 - v. ~30 Minor Capital Renovations – painting, AV, office remodels, etc.
- b. Projects in Design
 - i. Plummer/Darby Intersection Traffic Signal and New B6 Lot Entrance – Plan check is currently with LA City DOT. They are hoping to start this in the summer. They have worked on transferring the ownership of Plummer St., between Darby and Zelzah from the City to CSUN. The City does not maintain it. They have worked with the City to make a plan amendment to the City's masterplan. They have approved it at City Council transferring ownership.
 - ii. Restaurant and Conference Center Schematic Design – will be in the Bookstore Annex. It is about 10,000 sq. ft. It will replace the Orange Grove Bistro and funding is split between The University Corporation and Administration and Finance (deferred maintenance money from the Chancellor's Office)
 - iii. Science Buildings 1 Megawatt Emergency Generator – to power Live Oak, Eucalyptus, Magnolia, and Citrus in a power outage and protect the DNA and Science experiments in those buildings.
 - iv. Baseball Ball Park Field Lights – The campus received \$1M donation from Major League Baseball to put in lights at the fields.

- v. HOTEL P3 Project with Hilton Garden Inn is ongoing. It is right now in due diligence phase and should conclude on July 2nd. It will go back to the Board of Trustees for final approval in September. Completion estimated as Summer 2021.
- vi. Education Building Mechanical Unit/Piping Replacement
- c. Future Projects/Feasibility Studies
 - i. Redwood Hall Renovation – just finished the feasibility study and now looking for funding for this renovation.
 - ii. Sierra Annex Feasibility Study – Request for Qualifications set in Fall 2019. It will be a classroom-only building to replace the classrooms in Sierra Hall.
 - iii. Sierra Hall Capital Renewal Study – Request for Qualifications set for Fall 2019. Renovation of Sierra Hall for future space for faculty, research, etc.

Rosenthal also mentioned that the campus has at least \$200M worth of deferred maintenance. The unfunded PPM priority maintenance projects provided only represents about \$36M of the top priority. He stated that if there is a problem to report to just email facilities@csun.edu and he and Jason Wang from PPM will respond and check them out.

Discussion ensued on the different funding for the projects, Sierra Hall renovation feasibility studies, how things or projects are prioritized, etc.

8. Statewide Academic Senate Report – Jerry Schutte

Schutte stated that he shared the minutes of the Statewide Academic Senate in myCSUNbox. If there are any concerns and comments, please let him know.

9. Other

The committee requested to make sure that presentation documents from guests are provided prior to the meeting for them to review and prepare for questions.

10. Adjournment

The meeting was adjourned at 4:02 p.m.

Notes:

The next ERC meeting will be held on April 9, 2019 from 2:00 – 4:00 p.m. in UN 211.

*** THERE WAS NO POLICY RECOMMENDATION PUT FORTH AT THIS MEETING FOR SENATE CONSIDERATION.**