

# MINUTES OF THE UNIVERSITY BUDGET COMMITTEE

CALIFORNIA STATE UNIVERSITY, FRESNO  
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Office of the Academic Senate  
Ext. 8-2743

March 12, 2025 (LIB Conference Room 1222)

Present: Marian Foley, Brian Griffith, Alam Hasson, Gyanesh Lama, Alija Mujic, Holly Sowles, Harry Xia (Chair)

Guest: Provost Fu and Mr. Bob Brown, the interim CFO/VP for Admin and Finance

Absent: Ignacio Hernández

Called to order at 3:30 pm

- Approval of the Agenda.  
MSC
- Approval of the minutes of the February 12, 2025, meeting by email.  
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- Discussion with Provost Fu and Mr. Bob Brown

**Purpose:** To discuss budget challenges, federal and state funding uncertainties, institutional priorities, and strategies to maintain operations, student success, and research activities at the university amid financial constraints.

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## Key Discussion Points

### 1. Budget Challenges and Funding Uncertainties

- **Federal Funding Risks:** Mr. Brown highlighted concerns about federal funding, noting threats to reduce indirect costs from agencies like the NIH and temporary suspension of a \$4 million USDA farm grant, with \$2 million already spent, creating financial uncertainty.
- **State Funding Variability:** Mr. Brown emphasized the unpredictability of state budgets, referencing a potential \$19 million cut as a worst-case scenario, though the final figure could range from \$10 million to \$30 million, complicating planning.

## 2. Institutional Priorities Amid Financial Constraints

- **Student Success and Access:** Provost Fu underscored that student success and access are top priorities. Enrollment has increased, and class sizes have been adjusted (e.g., combined classes) without significantly harming student access or average class units.
- **Protecting Jobs:** Both Mr. Brown and Provost Fu emphasized protecting jobs as a core value. The President has publicly committed to avoiding mass layoffs, though some positions may still be affected by attrition or strategic reallocations.
- **Faculty and Research Support:** Provost Fu noted efforts to maintain research activities despite budget constraints, including preserving tenure-track faculty and allocating funding for student and faculty professional development.

## 3. Research and Institutional Status

- **R2 Designation:** The university has recently secured R2 status (Doctoral Universities – High Research Activity). Marian Foley had a question about what new sources of funding were secured to support the increase in research needs, including library subscription fees. Provost Fu indicated that there were no additional financial resources related to R2 status. He cautioned that maintaining this status requires sustained research funding and doctoral degree production (e.g., a threshold of 20 research degrees annually). New degree programs (e.g., EdD in counseling) are being considered but are cost-prohibitive.
- **Federal Grants and Indirect Costs:** Provost Fu highlighted that NIH-funded health research grants provide high indirect cost recovery (around 60%), which supports the university's financial model, but uncertainties under potential policy changes (e.g., Trump administration) pose risks.

## 4. Operational Efficiency and Cost Management

- **Shared Services and Technology:** Mr. Brown discussed system-wide initiatives to standardize processes (e.g., a unified travel system across institutions) to reduce administrative costs and improve efficiency.
- **Hiring Slowdown:** Provost Fu noted a strategic slowdown in hiring new faculty and staff to preserve funds for existing personnel, though this increases workloads and may lead to frustration.
- **Class Size Adjustments:** Adjustments to class sizes and course offerings were implemented to manage costs, though Provost Fu emphasized minimizing negative impacts on student experience.

## 5. Communication and Transparency

- **Timing Challenges:** Harry Xia raised concerns about the timing of budget finalization (often during summer breaks), which hampers timely communication with faculty. Suggestions included using email updates or public committee meetings to share provisional budget information earlier.

- **Committee Role:** The committee, elected by the Senate, was recognized as a vital platform for transparent and timely communication between administration and faculty, especially on budget matters.

## 6. Balancing Athletics and Academic Priorities

- **Athletics Funding:** Brian Griffith questioned the allocation of funds to athletics versus academic programs. Provost Fu clarified that athletics receives 3.7% of the state budget, a relatively low percentage compared to peer institutions, but acknowledged community expectations and recruitment benefits tied to athletics.
- **Value Debate:** A broader discussion emerged about the university's identity—whether it prioritizes education or community engagement through athletics. No cuts to athletics were proposed, but Provost Fu emphasized balancing these interests without disproportionate reductions in academic areas.

## 7. Process Improvements and Faculty Support

- **Reimbursement Delays:** Holly Sowles highlighted delays in reimbursements (e.g., travel expenses, foundation payments) affecting morale, with some faculty waiting months and incurring personal costs. Suggestions included streamlining paperwork and improving communication with the foundation.
- **New Degree Proposals:** Provost Fu supported faculty innovation but recommended caution with new degree programs (e.g., AI degrees) due to high startup costs, suggesting proposals be thoroughly vetted for sustainability.
- **Faculty Workload:** Concerns about faculty workload were acknowledged, with Provost Fu proposing potential rewards (e.g., departmental funding increases) for departments excelling in student success metrics.

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## Action Items

1. **Enhance Budget Communication:** Develop a mechanism (e.g., email updates, public committee briefings) to share provisional budget information with faculty during the summer, addressing timing challenges (Provost Fu, Vice Provost Hasson, and Harry Xia).
2. **Streamline Reimbursement Processes:** Collaborate with the foundation and HR to simplify paperwork and improve notification processes for reimbursements, reducing delays for faculty and staff (Provost Fu).
3. **Review New Degree Proposals:** Establish a small group to assess the feasibility and cost of proposed degrees (e.g., EdD in counseling, AI degrees) while ensuring alignment with budget constraints (UBC).
4. **Monitor Federal Funding Changes:** Continue tracking federal policy shifts (e.g., indirect cost reductions) and their impact on research grants, with updates to the committee (Mr. Brown, Provost Fu).

### **Next Steps**

- The next meeting is scheduled for two weeks from the current date, with Mr. Jeff Blanks attending to discuss further details (Harry Xia).
  - Ongoing efforts to improve transparency and operational efficiency will be prioritized, with a focus on protecting jobs and student success.
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### **Additional Notes**

- The discussion reflected a collaborative tone, with a shared commitment to navigating financial challenges while maintaining the university's mission.
  - The meeting ran 20 minutes over time, indicating the depth of discussion and engagement on these critical issues.
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- The meeting adjourned at 4:50 pm