

Finance Committee (FC)

Faculty Senate Finance Committee Meeting

September 22, 2021

Present: William Faraclas (chair), Obiageli Okwuka, Sebastian Perumbilly, Jia Yu, Carol Stewart, Peter Madonia (absent)

Invited Guest: Mark Rozewski, Executive Vice President for Finance and Administration

Mark pointed out that agendas of the BOR Finance Committee are a good source of information about Southern's financial situation. Specifically referenced was the June 9, 2021 agenda. He explained in prior years we would submit mid-year and the end of year budget reports. Now the system office is doing a better job of providing information in a timely manner.

Our AY 22 budget appears to be in a deficit, but that is covered by a \$4⁺M surplus that carried over from last year. In the current pandemic conditions, and with student enrollment still in decline, we have relied on several one-shot revenue sources, which will not occur in the future. For example, Higher Education Emergency Relief Fund (HEERF) program (COVID federal money) comes from 3 different sources with some monies dedicated to the institution for lost revenue (\$27M) and some reserved for students (two rounds totaling \$8.4M, with another \$13M to come: \$6⁺M in fall and \$6⁺M in spring) that cannot be charged directly by the institution for outstanding bills. We also received Federal money channeled through the state (to cover COVID expenses, such as testing, masks, disinfectant, etc.) totaling \$11.1M will end on Dec 31. The three rounds of federal grants given to students amounted to about \$600 per student for each of the first two rounds, and will be about \$1,000 per student in the third round.

This year's budget was based on an estimate that enrollment would be down 5% from fall 2020 to fall 2021. However, we appear to be down 7.6%. Housing occupancy bounced back but not to prior numbers. In the past, we had 92% housing occupancy vs. 64% today. Graduate enrollment is up by an impressive percent, but the actual number of students we've gained is not enough to offset undergraduate declines. We also froze tuition and the housing fee for this year.

Because the State has a surplus, it has provided the CSU with fringe benefit support for this year and next year. That, however, is not a recurring appropriation. Therefore, the state needs to develop solutions for the problem.

Questions from the Committee to Mark:

What can we do to solve problem? It's a structural problem and needs solutions at a higher level.

How do we increase market share in a declining market? We need to develop ways to do that with one important factor being academic excellence.

What is the competition doing? Our biggest competition is with ourselves and the UCONN Stamford branch. Only incidental competition with UNH, Fairfield. The private colleges have flexibility that we don't have (e.g. cutting tuition, offering monetary incentives).

What percentage of students receive Financial Aid? What percentage pay out of pocket? We receive about \$12M per year in financial aid with approximately 70% of students receiving Financial Aid and 30% paying fully out-of-pocket.

How much does it cost to hold an on campus and/or online class over winter or summer session? What is our breakeven point? In the past, the Provost has discussed looking at the “aggregate” enrollment (looking at the total enrollment for a department minus expenses) before cancelling classes due to low enrollment. Last summer and the summer before we outperformed previous non COVID summers (due to online offerings). We also gave grants to students using federal funds.

COVID is not going away; students are concerned. We will still need COVID money to help with hygiene supplies and to continue tracking. The State has promised to reimburse us for all COVID expenses until year end.

What did this committee learn and what can we say to Faculty Senate? “Southern is not going away,” and it should be promoting its strengths, which are many. The serious problems we are facing can only be addressed successfully with full participation of the faculty, who are creative and forward-thinking. It is essential for the faculty to have “seats at the table” and for administrators to openly collaborate with us to define problems and develop solutions.

Travel update. We are starting to get the financial information for this coming year’s travel funds. The table will be updated bi-monthly.

Joint statement of Finance and Technology Committees. Bill will be meeting with Doug Macur and Joe Fields, the current and past Chairs of the Finance Committee. If another member of the Finance Committee would like to sit in with Bill, please let Bill know.

Early College Experience. The Finance Committee was asked by the Faculty Senate President to develop a plan to create a steering committee for the ECE program. Bill reached out to Trudy Milburn, Associate VP for Academic Affairs, and Brian Johnson, an English professor who has expressed thoughts on how to ensure quality in the ECE. We learned before this meeting that the Provost questioned this initiative, so we will need further direction from Deb Weiss to help determine where this assignment stands.

Department OE. The Committee is interested in ensuring that all members of departments are informed about Operating Expense budget and have input into its use.

University Grants Parameters. The Committee is looking at issues related to finding out information about university grants, and also is interested in looking at how parameters are set. Carol will share an old document we used to have at our fingertips. What can we do to inform faculty of future grants?

Respectfully submitted, Carol Stewart