**Senate Executive Committee Meeting (11/09/2023)**

**Attendees:** Elizabeth ‘Bets’ McNie (Chair), Sarah Senk (Vice Chair), Ariel Setniker (Secretary), Christine Isakson, Wil Tsai, Mike Holden, Maggie Ward, Provost Schroeder, Chelsea McClain, Karyn Cornell, VP Franz Lozano.

Topp Room, 11:03

* **President Dumont**
  + Lay out budget realities that we face – following Board of Trustees (BoT), governor's office, and state legislature about realities CSU is facing
  + CSU is having a $1.5 million budget deficit that didn’t happen overnight, this has been going on for years, there has been deferral on hard decisions, these have been kicked down the road
  + This BoT has committed to handling this deficit, realized: would necessitate hard budget calls as well as that tuition increase
    - Tuition increase will not go to individual campuses, going to compensation for union negotiations
    - We are facing budget cuts for this academic year due to union negotiations
    - Budget compact & CSU reallocation plan – mechanism from state leaders to offer up money that they usually contribute to general fund with extra stipulation that campuses that don’t meet enrollment criteria get cuts
      * 2 southern campuses stopped taking applications because they’re full
  + *[Showing enrollment overview slide]*
    - Total enrollment now 761, projection from team is 216 cadets
    - Average attrition rate of 24% - falls in line with national average unfortunately
    - Other state maritime academies also experiencing enrollment declines
    - Graduating 280 approx. Every year
    - Estimate that we need 360 new applicants every year to move the needle
  + Reallocation Plan: 7 campuses with low enrollment
    - We are to see a 5% decrease in target enrollment funding
    - Target is 1400 FTEs (approx. 1300 students) - been enrolled at this target since 17-18 AY
    - $632,000 reduction 24-25, $600K 25-26, $570,000 in 26-27
    - Increasing costs, general inflation (high state), rising insurance & litigation costs (costing CSU an inordinate amount of money), utility costs, decline in revenues, impact on self-support units (PACE, RIO, etc.), compensation increases
  + *[Second slide]* Estimated Budget Reductions (at Cal Maritime)
    - 23/24 900K
    - 24/25 1.926M
    - 25/26 1.5M
    - 26/27 460K
    - TOTAL: 4.7M
  + McNie: Is that including the 600K budget reduction to reallocation?
  + Lozano: Yes.
  + Based on: enrollment decline, reallocation plan, projected unfunded compensation increases through 25/26
  + These cuts are based on:
    - Enrollment projections – hoping for 3% increase
    - Estimating 2.5% campus share of compensation increase – CSU is doing 3% for salary and benefits that will come out of tuition increase funds
    - Estimated 2% utility fees based on PGE etc.
  + Funding sources:
    - Receive $1.6M from MARAD (3% of our budget approx.)
      * Spec. For fuel and MARAD-authorized fees
        + Fuel costs are about $1M – expected to increase with new ship, SUNY is keeping careful track as their new ship goes in – new ship requires specialized fuel (additives)
        + $900K
        + Tuition and fees $5.7M
        + Other revenue services $2.7M (IE, transcript fees, late fees, etc.)
        + Majority comes from the big pot: “state compact” $40.5M think of as general fund
    - We don’t charge athletic fees as most campuses do – subsidized through general fund
    - Health services are also sub. - fees don’t cover our services and staff
    - Currently our budget for 23/24 is $52.5M
    - Projected expenses says we need $53.4M (compensations)
  + Reserves:
    - Under state law/CSU policy address non-recurring expenses – do that by managing short-term projects (facility maintenance, etc.) - make sure these can cover dire situations such as pandemic, earthquakes, etc.
    - Over a period of history and research, CSU policy has no less than 3 and no more than 6 months of operating expenses in reserve
      * Currently much less available in reserves
      * As of June 30, designated balances in reserves is only $2.5B
      * We hear $9B – but much of reserves is already earmarked for debts etc. - if used, will cause a downgrading in bonds (state/municipal)
    - Here on campus, we should have $25M in reserves – we only have $2.5M
      * A few years ago, we drained this down due to COVID recovery, housing and dining supplements
      * CSU is concerned – BoT 11th day into fiscal year we were already in the red
  + Bottom Line: we have to address this – raise enrollment “We’ve run out of money, and now we have to think.”- Winston Churchill
    - We have to get all options on the table and consider them to reduce this year and plan for reductions next year.
      * Don’t want to decrease academic programs so that we look like a community college, but we have to be creative
      * I realize one person has the power to make recommendations to BoT, but prefer them to be collective and some sort of consensus since we’re all in this boat together
      * The ‘way-ahead working group’ needs to pause
      * Given the budget realities, we need to face this head on before we think about how we want Cal Maritime to look in future
  + Other CSUs are in more dire situations
  + Isakson: Thank Franz first of all, I have students who have taken up the biodigester viability – thank you Franz for talking to them
    - Question for reallocation plan: one thing that came up from Jenny.. The 5% that we lose is based off of the current FTEs...we have to get below 10% of our current goal
    - Lozano: that is correct
    - Isakson: of that bucket, it’s basically 6-8K per student, so about 71 students, but then there’s a reset, so it’s a sliding scale
    - Lozano: that’s correct.
    - Isakson: wanted to make sure that everyone here understood that it’s not set in stone.
    - My understanding is that the current new chancellor has not signed it in
    - President: don’t think it works that way, BoT approved...asked Garcia to look at it but this is the path they’re heading down – no way around it. There was no vote, it’s just in the chancellor’s purview. We were instructed to begin planning now, and Franz will be required to submit a quarterly budget.
    - Other wrench: Cozen has resulted in a lot of funds required to ….
    - Provost: Veronica Boe has retired, in a year where we can reimagine PACE – Mark Goodrich and I had a meeting with PACE At CO
    - President: for most CSUs PACE is a money-maker
      * MG is doing an analysis of the books, want to hire a director who \*knows\* PACE, we’ve been asked by lots (e.g. Garamendi) why we aren’t doing more with PACE, if business students could run it like a small corporation I say have at it
  + McNie: I believe we are in an existential crisis – what is the CSU’s view of us as an independent campus – are we a concern, or are we safe..?
    - President: they are concerned because of enrollment challenges we face here in the north, they don’t understand the lack of appeal of Maritime, why students are lining up at gate – I think it’s the industry and a shift in outlook of students over pandemic
      * Another president said they are finally seeing students coming out of the basements - there are intersocial problems on campus, having troubles communicating with each other – was looking at this semester dropouts – there are a lot of mental health dropouts, and a lot of no RoTC – too hard to do school here and RoTC elsewhere
      * Shared report with me about a CSU Stockton potential 4 years ago – and feedback was already too many CSUs, there’s no appreciable growth to America’s population in the next 10 years, and that California can’t support the systems it has
      * I want to focus on this campus and not have to deal with all that – I will have to go and ask – will have to put all options on there
      * Shutting Cal Maritime down is a non-starter – the only western maritime academy, we have good programs
        + Gave Chancellor a one-pager (why license track, sim, lucrative job prospects, etc.)
        + Feds would lose their minds if they lost a state maritime academy – Kings Point is having troubles right now
      * It’s not going to go back to being a line item in the CA budget – we are looking at a reduction of 60-65 staff (we don’t have that many), or decapitation of administration, but we have all these requirements from MARAD, CG, etc.
      * Can we cut some of those higher paid? Sure, but then the pres. Is shouldering more day to day and not big picture strategic planning
      * We could share services with other campuses – we have been reaching out for a viable plan, but other campuses are not interested, more work for them and very little benefit
      * It is time for the CSU to do shared services all the way down – SJ for payroll, Stan for parking, etc.
      * Another possibility: (Dorothy Leland) look at Texas A&M model – one person 3 hats VP of Texas Galveston, CO, and superintendent of Texas Maritime
  + Tsai: thoughts on service load sharing as compared to faculty loads being taken to other campuses
    - President: Lori and I have been talking about this
      * Humboldt approached us about OCN – they feel our students have access to some things they don’t - perhaps a summer experience, giving their students some deep sea experience – they have some small vessels but they don’t go out in open water like we do and not as robust as our ship program. They also liked our international program – nowhere near what we do.
      * Provost: talk with CCs – want clearer articulation of pathways to degree, need those pathways established (SCC and Contra Costa, would look for Napa too)
      * California State Guard has a program (we have one student in it) - involves charter schools (one is Oakland Military institute) - reached out to see if we had any use for their ship (CG Motor Lifeboat), so looking into getting more access to these students as potential applicants
      * Isakson: They get scholarships, and they’re looking to establish RoTC here
      * President: yes, they have instructors who are already certified as RoTC instructors – they already have benefits, etc.
  + Holden: what’s keeping you up at night – this year or years following...?
    - President: it’s next year, what we’re facing will light a fire under us, and hope this will stem the bloodletting – AND the cost of that pier – Franz thinks optimistically this will cost $102M in today’s dollars
      * SUNY was nickel and dimed by MARAD for their share, and in CA construction permits, PGE, etc. Are so much harder to deal with
      * Provost: I view this as such an asset to CA, how will they let us fail with the ship?
      * Pier construction will push them over the edge
      * MARAD is not the dedicated public servants looking to maximize every dollar – they have their own pet projects
      * Provost: I meant more the state of CA – they'll put us in the middle
  + Holden: Can we rent out Maritime North as apartments to take back?
    - President: South Vallejo is not conducive to a public-private partnership
  + Ward: from own time in maritime, there was an exchange program with Turkey maritime, could we do that?
    - President: Mexico – there are not enough spaces so they have an arrangement to send some other places. They don’t do any state maritime academies, some to Kings Point. This would be a big ask, visas, 24hr support etc., but if we did it as foreign assistance, the state or defense dept. Would fund.
      * Couldn’t get CG license, but would need to hammer out some sort of recognition of their training (CI/BM: STCW is internationally recognized)
    - McNie: we used to have a contingent of Arab/other foreign students, and they graduated and got license from their own countries given graduating with STCW
    - Isakson: need to have a certain amount so they can integrate
    - Provost: Kazakhstan sent interest last year, they wanted an exchange of our faculty going there to teach their faculty, and they would send some students here
  + Senk: All these ideas sound great, but would take 6-12 months - is there a world where we don’t fire and furlough people? We need data we don’t have. For instance, students say they leave because they can’t manage sleep deprivation due to formation/other corps expectations. I’m happy, not that it’s a great number, to hear the 24% because it means it’s not something we’re exactly causing.
    - Provost: glad to bring up retention.
    - Isakson: opt-in Corps
    - Ward: been advocating for that awhile, when I went to SUNY Maritime, it seemed to work just fine
      * President: talked to SUNY pres. Extensively: two issues: they didn’t roll it out properly, didn’t sell it to alumni or students, alumni got senators and congressmen involved, and still pay for it 20 years later. Though, glad they did it, by having traditional students on campus, they were able to pay the bills in dark periods, and conversations in class were a different dynamic, offered different enrichment to classes
      * Ward: personally we could reduce the numbers of commandant staff, clearly with opt-in, and I know we have people in our department who feel a silo-ing between our department and the ship and there are many in our dept. Who would be happy to take roles on ship and would be happy to take those on with no or very little compensation.
      * Isakson: when I was a cadet here, one faculty member would always serve as Chief Mate
      * Ward: at SUNY, training ship captain was the commandant
      * Senk: thinking of someone like Isakson, in the short-term maybe we redefine some of the tasks a dean does, mixing them with provost-appointed director roles etc.
      * President: you don’t cut much because deans revert to faculty and still get paid
  + Ryan Okada: license grad program like what they offer at SUNY
    - With capacity of new ship, can we bring out other students from other CSUs or other universities to do their time
  + President: don’t understand why business students aren’t planning for cruise, etc....we don’t have it as a shared experience
  + Ryan Okada: I’ve spoken to my equivalent at SUNY and said it drew a line down the middle and industry was disappointed that they were hiring someone outside of the Corps
    - President: heard similar about hiring Cal Maritime grads
  + Tsai: what are the communications that we should be communicating to our constituents, especially staff? Are we considering doing an early retirement program or buy-out?
    - President: wouldn’t say anything to anyone right now
    - In any university, 75% of budget is salaries
    - I don’t have any authority from CO yet to announce programs
    - Buy-outs cost money and not sure CSU will give money
  + McNie: Echo importance of still looking strategically, but I think we can handle at looking at both short-term and long-term
  + President: pause might not be the right word, but I didn’t want ppl going off on a way-ahead working group detached from the budget realities (being uninformed)
  + McNie: I would suggest a process for anonymous tips
  + President: found no one has had troubles sharing ideas
  + Provost: had to cut 1.1M from Academic Affairs just this year (Cornell: 3M total)
  + Senk: it would be helpful to get this data to share with faculty, 2019 budget report is still looming with rumors and grumblings
    - Would be great to have this for upcoming senate meeting
* **Meeting Adjourned [~12:26pm]**

Furloughs come from system, voluntary time base reduction is campus level

ELDP LOs different than leadership outcomes in SA different than ILOs

ELDP but call it CommUNITY Day (inclusive leadership workshop)

ISS: Strategy institute for professional development instead of watch – course release for course coordinator