

BAC memo, Spring 2025

Subject: May 2025 BAC Memo
Issued to: President Cynthia Teniente-Matson
Issued From: Budget Advisory Committee (BAC)
Date Issued: Friday, May 30, 2025

Over the last two years, the Budget Advisory Committee (BAC) has consistently supported uniform reductions across divisions, i.e. so-called “peanut butter cuts,” a strategy which allowed key decision makers within each division to implement the required cuts as they saw fit. Looking ahead, the BAC recommends that future cuts be made more strategically.

Determining such strategic cuts – what cuts to make, and by how much – will require our collective commitment to shared governance. All stakeholders, including faculty, students, administrators, and staff, must be included in our budget-related conversations on what is most and least vital to supporting SJSU’s mission. To enhance transparent and robust budget deliberation, the BAC proposes to engage in more directed outreach to and communication with SJSU community members, such as focus groups, surveys, and/or interviews. The BAC also proposes to establish a permanent communication channel to solicit budget-related input from the SJSU community. Such methods have great potential to surface our community members’ opinions, experiences, concerns, and questions, which can lead to better budget-related ideas, proposals, and decisions at the top level. In these efforts, the BAC asks for the President’s continued support and advocacy.

Relatedly, the BAC recommends that the following questions be carefully considered by all parties involved in budget-related deliberations over the next academic year, at all levels of the institution.

- ☐ In assessing the viability of programs, how should their financial ROI (return on investment) be weighed against non-financial benefits?
- ☐ What are the standards and/or the protocols for handling programs that are in the red? What is the rationale for such programs continuing to receive financial support? What additional budgetary scrutiny is there for such programs?
- ☐ Where might structural changes lead to efficiencies and reduce costs, and what is the evidence for this? When considering new systems, what is the anticipated ROI? At what point will the systems pay for themselves without additional financial burdens? For systems that have already been implemented, how have

they made work more efficient? What are their actual cost savings, based on what evidence?

- ☐ When considering new reorgs, what are the anticipated efficiencies? What is the anticipated ROI? Based on what evidence? Once reorganizations have already been implemented, how will they be assessed down the line? How will their benefits as well as their unexpected and even unintended consequences be assessed, and based on what evidence?
- ☐ To emphasize, any new initiative, reorganization or change in organizational process should have an assessment component built in as a means of assessing outcomes, financial and otherwise. In any of these cases, what are the specific assessments that have been (or will be) put into place to determine whether or not they are sustainable, whether or not they result in longer term cost savings, and whether or not they are feasible to continue?
- ☐ Where might more centralization be beneficial? Would it be helpful to have, for example, a centralized database of scholarship monies?
- ☐ Where might decentralization be beneficial? For example, would it be worthwhile to have Research and Innovation moved back to the colleges instead of housed in its own division?
- ☐ What processes and/or assessment tools can be used to determine what to cut and what to keep? At what point should a division, unit or program be dissolved? Based on what criteria? In consultation with which parties?
- ☐ What are the highest areas of risk regarding SJSU's deferred maintenance backlog? Are TRP* funds being distributed accordingly? (**Total Return Portfolio is an investment portfolio managed by the CO for deferred maintenance needs across the CSU campuses.*)

Athletics

In regards to Athletics, the BAC recommends consideration of the following questions:

- ☐ What role does Athletics play in achieving SJSU's larger mission? Relatedly, while the non-financial, intangible benefits of Athletics programs are often cited anecdotally to justify ongoing financial support, what is the evidence that demonstrates this?
- ☐ Historically, conversations around SJSU Athletics have centered around men's football and men's basketball. Are those two sports our university's top priority, and if so, why?
- ☐ What are the funding sources for Athletics scholarships? How exactly does Athletics propose to support its Division I sports with reduced scholarships? Relatedly, what alternative budget-saving measures could be implemented? For

example, should budgetary preference be given to sports where athletes have higher GPAs and/or graduation rates as well as greater athletic success?

- ☐ What donations and philanthropic gifts have been made to Athletics in recent years, and how have they been allocated? How much of that giving has been planned (i.e. future gift promises) vs. available current dollars? How do they figure into the Athletics budget?
- ☐ At the Spring 2025 Budget Town Hall, it was stated that SJSU received \$20 million in *indirect dollars* from two games broadcast on CBS. What exactly are indirect dollars and how is this funding source used in Athletics?
- ☐ Considering that the NCAA will absorb only 30% of the House Settlement costs that are being paid by the conferences, how will the deficit faced by SJSU's Athletics division be impacted?

The BAC also urges that the Athletics division be compelled to share its actual revenue in comparison to its real expenditures in far more detail, and that they produce a viable budget plan going forward.

Information Technology

In regards to Information Technology, the BAC recommends that the following questions be considered:

- ☐ Should Information Technology continue to be centralized? What would be the possible outcomes of decentralizing part or all of One.SJSU?
- ☐ Shall a campus-wide committee be established to review and evaluate existing technology related resources, and to propose streamlining and/or cost-savings measures? Relatedly, could such a system be used to evaluate new requests for apps, software, hardware, etc. from across campus as a means to increase efficiency and avoid duplication of services and resources?

The BAC also continues to request that the IT division share greater details on its expenditures and its budget plans going forward.

Information Requests

Consistent with its charge, the BAC will continue to provide its considered recommendations on the budget. However, to offer useful advice on strategic cuts, the BAC will require more detailed and robust data from the divisions. In particular, we request that all division leaders share:

- ☐ More comprehensive financial data, including actual revenue vs expenditures. In particular, the BAC requests annual, detailed budget reports from each division, formatted according to a template so that the information is clearly understandable, particularly the figures on actual spending and reductions.
- ☐ Reports on how often any division has been in the red over a specified number of years, and how (if at all) this has changed over time.
- ☐ The final recommendations outlined by the Spring 2024 Presidential workgroups, with information on how implementing those recommendations would impact the budget.

Advocacy at CSUCO

When the California State University Chancellor's Office (CSUCO) includes certain initiatives or programs' base funding in the campus cut target, our university must find a way to absorb the associated cut amount by cutting more in other places. Therefore, the BAC recommends continued advocacy by the President and other campus leaders at CSUCO to remove such funding from their base budget cut calculations.

Conclusion

This semester marks the end of numerous BAC members' service on this committee. To the new members who join the BAC when it is reconstituted in Fall 2025, we strongly encourage the continued practice of collaborative, consultative, and distributed decision-making, following the principles of engagement outlined in [SS-S15-6](#).

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With special thanks to the subject matter experts (SMEs) invited by the President to participate in the BAC as standing guests, Charita Hill-Avent, Michael Kaufman, Ravisha Mathur and Namrata Shukla; and to the SMEs invited by VPAF to support the BAC's work, Amit Jain, Maureen Pasag and Michael Vizzusi.