• Welcome and Announcements (President Leslie E. Wong & VP Phyllis Carter)
• Approval of October 9, 2018 Meeting Minutes (VP Phyllis Carter)
• SF State University Fall Financial Review 2018-19 (VP Phyllis Carter & Elena Stoian)
• CSU Budget Request and Governor’s Budget 2019-20 (VP Phyllis Carter & Elena Stoian)
• SFSU Preliminary Planning and Budget Calendar - 2019-20 (VP Phyllis Carter & Elena Stoian)
• Cost Efficiencies and Operational Excellence (Megan Dobbyn)
• Open Forum; Ten minutes, 3-minute limit per speaker
• Adjournment; next meeting: May 13, 2019, 10:00am – 12:00pm
SF State University
Fall Financial Review
Cabinet Summary Only
Fiscal Year 2018-19
Fall Financial Review Highlights

**Summary Outlook**

- The forecast shows a positive trend assuming the campus remains within projected spending levels inclusive of using approved carryforwards and strategic allocations approved in the budget process.

- The one-time (OT) allocations approved for cabinet units during the 2018-19 cabinet budget review process in the amount of $18 mil (campus reserve and units carry forward) is providing sufficient funding to the campus.

- The reserve university fund is projected at year end at $22 mil and cabinets cfw at $7.7mil.

**Revenue Outlook**

- State allocation, as of October review period, estimated at $180 mil.

- Higher ED fees (resident and non-resident fees on target per campus spring enrollment reporting, other fees are in target); estimated at $187 mil. Disaggregation of FTES enrollment target between summer, fall and spring is critical to provide clarity on true drivers for actual tuition and fees and where opportunity exists for improvements.

- Other Financial Sources- forecasted 25% under the original budget predominantly due to the change of cost allocation model to service level agreement or direct cost recovery for ITS. Also, forecasted dividend and interest revenue received from CO, lower than the original budget.

- Reimbursement from other funds- no forecasted variance significant to report
Fall Financial Review Highlights

Expense Outlook

• Salaries- Forecast shows a negative variance due to additional salary actions taken at the cabinets level (possible offset with the cost recovery).

• Benefits- Forecast reflects being on target and assuming positive variance on the salary line due to vacancies.

• Operating Expenditures- The forecasted variance shows a overrun in amount of $4 mil. However, cabinet areas will realigned the carryforward budgets to expense line items by the next financial review.

• Utilities- Forecast on target (assuming campus processes timely recharges).

• Risk Pool- Forecast exceeding budget with $.7 mil due to increase campus insurance premium and claims in the first two quarters of the fiscal year.
Fall Financial Review Highlights

Student University Grant and Student Federal Work Study Outlook

- Work Study- Actual slow spending trend at the beginning of the 4 months and projected to be on target by year end.

- Financial Aid- Forecast all financial aid will be fully distributed to students by year end.
## 2018 Fall Review: Revenues

Revenues Total | Actuals | Revised Budget | Projection | Variance | Percentage
---|---|---|---|---|---
State Allocation | 68,528 | 180,497 | 180,497 | 0 | 0
Higher Education | 104,559 | 186,746 | 187,056 | 310 |
Other Financial Sources (1) | 643 | 5,284 | 4,442 | -841 |
Reimb. From Other Fund (2) | 196 | 5,880 | 5,880 | 0 |
Revenues Total | $173,926 | $378,406 | $377,875 | -$531 | -0.14%

**Notes:**

(1) Includes: Cost Allocation, Interest Revenue
(2) Includes: Reimbursement release time, Fed W/S reimbursement, est. retirement adjustment

The report includes the following operating funds include: NG001, NG025, NG100, NR101, SE001, SUXXX

Tuition and Fee revenue assumption will meet the target.

Campus cost allocation below original plan with 14%.
## 2018-19 Budget & Enrollment Projections

### (In thousand)

<table>
<thead>
<tr>
<th></th>
<th>Budget/Projections</th>
<th>FTE Target</th>
<th>FTE Actuals/Projection</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>Projections</td>
<td>CA Resident</td>
</tr>
<tr>
<td>Spring 2019</td>
<td>$74,825</td>
<td>$74,825</td>
<td>22,228</td>
</tr>
<tr>
<td>Summer 2018</td>
<td>13,000</td>
<td>13,054</td>
<td>2,488</td>
</tr>
<tr>
<td>Fall 2018</td>
<td>80,000</td>
<td>80,141</td>
<td>23,481</td>
</tr>
<tr>
<td>Tuition fees</td>
<td>$167,825</td>
<td>$168,020</td>
<td>24,099</td>
</tr>
<tr>
<td>Mandatory and Other fees</td>
<td>$18,921</td>
<td>$19,036</td>
<td>24,168</td>
</tr>
<tr>
<td>Total Higher Education</td>
<td>$186,746</td>
<td>$187,056</td>
<td>24,099</td>
</tr>
</tbody>
</table>

### Notes:
- Non-resident target was based on the numbers on the FY18-19 budget planning file.
- Budget AUL = 12.3813 (this is the average of FALL & SPRING, where the AUL from these two semesters are based on the average of two like-term unit loads).
- Projected AUL = 12.5367 (this is average of FALL & SPRING, where FALL 18 = census, SPRING = Most recent year rate which was SPRING 18).
## 2018 Fall Review: Expenses and Net Activity

(In thousands)

<table>
<thead>
<tr>
<th></th>
<th>July- Oct Actuals</th>
<th>Revised Budget</th>
<th>Projection</th>
<th>Variance</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>69,208</td>
<td>209,318</td>
<td>211,860</td>
<td>2,542</td>
<td></td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>7,779</td>
<td>24,911</td>
<td>28,770</td>
<td>3,900</td>
<td></td>
</tr>
<tr>
<td>Mandatory Costs (*)</td>
<td>37,454</td>
<td>107,848</td>
<td>105,933</td>
<td>-1,916</td>
<td></td>
</tr>
<tr>
<td>Work Study</td>
<td>174</td>
<td>1,461</td>
<td>884</td>
<td>-577</td>
<td></td>
</tr>
<tr>
<td>Financial Aid</td>
<td>22,250</td>
<td>46,964</td>
<td>46,964</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td><strong>Expenses Total</strong></td>
<td><strong>$136,866</strong></td>
<td><strong>$390,503</strong></td>
<td><strong>$394,411</strong></td>
<td><strong>$3,949</strong></td>
<td><strong>1%</strong></td>
</tr>
</tbody>
</table>

### Net Activity (Surplus / Deficit)

- **Net w/out One Time**: -$1,453

### Notes:

* Mandatory Costs include Benefits, Risk Pool, Utilities, Cost Recovery, and Transfers In/Out.

The report includes the following operating funds include: NG001, NG025, NG100, NR101, SE001, SUXXX

Cost Recovery: reimbursement release time, CEL cost recovery and other units cost recovery which has not been transitioned to the newly cost recovery campus funds.

---

### Revised Budget Components

- **Financial Aid**: $46,964
- **Work Study**: $884
- **Mandatory Costs (*)**: $105,933
- **Operating Expenses**: $28,770
- **Salaries**: $211,860

---

### Graph:

- **Revised Budget**
  - Financial Aid
  - Work Study
  - Mandatory Costs (*)
  - Operating Expenses
  - Salaries

- **Projection**
  - Financial Aid
  - Work Study
  - Mandatory Costs (*)
  - Operating Expenses
  - Salaries

---

### Diagram:

Costs represented in the diagram are grouped as follows:

- Financial Aid
- Work Study
- Mandatory Costs (*)
- Operating Expenses
- Salaries

---

### Variance Analysis:

- **Salaries**: Revised Budget vs. Actuals
- **Operating Expenses**: Revised Budget vs. Actuals
- **Mandatory Costs**: Revised Budget vs. Actuals
- **Work Study**: Revised Budget vs. Actuals
- **Financial Aid**: Revised Budget vs. Actuals

---

### Conclusion:

The net activity for the period is -$16,537, indicating a deficit. Additional allocations and carryforward contributions are shown for strategic purposes.
## 2018-19 University Wide Reserve

### FY2018-19 UW Reserve as of 7/1/2018

<table>
<thead>
<tr>
<th>One-Time Funding</th>
<th>Operation</th>
<th>Capital</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2018 Capital project CFW</td>
<td>1,792</td>
<td>1,792</td>
<td></td>
</tr>
<tr>
<td>SFM Corrections - HH,GYM,FA,TH</td>
<td>350</td>
<td>350</td>
<td></td>
</tr>
<tr>
<td>RTC Master Plan &amp; EIR</td>
<td>350</td>
<td>350</td>
<td></td>
</tr>
<tr>
<td>AA Additional One Time</td>
<td>286</td>
<td>286</td>
<td></td>
</tr>
<tr>
<td><strong>Transferred</strong></td>
<td><strong>286</strong></td>
<td><strong>2,492</strong></td>
<td><strong>2,778</strong></td>
</tr>
</tbody>
</table>

**Total Approved One-Time:** $5,373

### FY2018-19 UW Reserve as of 10/31/2018

<table>
<thead>
<tr>
<th>One-Time Funding</th>
<th>Operation</th>
<th>Capital</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2018 Capital project CFW</td>
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<tr>
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<td>286</td>
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<td></td>
</tr>
<tr>
<td><strong>Transferred</strong></td>
<td><strong>286</strong></td>
<td><strong>2,492</strong></td>
<td><strong>2,778</strong></td>
</tr>
</tbody>
</table>

**Total Approved One-Time:** $5,373

### RESERVES is defined as a specific fund category recognized in the accounting system and generally used for self-supporting, auxiliary activities or campus-based student fees. These are funds set aside for a specific and future use and typically fall into one of ICSUAM 2002 categories (deferred maintenance & capital, programs, economic uncertainties).
CARRYFORWARD is defined as unexpended budget balances at the end of the year. Generally these budget balances are calculated as: current year budget appropriation and prior year budget balances less current-year actuals expense. This CF does not fund through current year tuition fee and/or state allocation.

<table>
<thead>
<tr>
<th>CABINETS</th>
<th>7/1/2018</th>
<th>Transfer To Budget Line Items</th>
<th>10/31/2018</th>
<th>6/30/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Beginning Carry Forward</td>
<td>Salaries</td>
<td>Operating Expenses</td>
<td>YTD Carry Forward Balance</td>
</tr>
<tr>
<td>Academic Affairs</td>
<td>$10,100</td>
<td>$1,126</td>
<td>$1,968</td>
<td>$7,006</td>
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<tr>
<td>Administration &amp; Finance</td>
<td>4,014</td>
<td>4</td>
<td>0</td>
<td>4,010</td>
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<tr>
<td>Office of President</td>
<td>772</td>
<td>0</td>
<td>0</td>
<td>772</td>
</tr>
<tr>
<td>Student Affairs &amp; Enroll Mgmt.</td>
<td>1,569</td>
<td>1,105</td>
<td>120</td>
<td>344</td>
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<tr>
<td>University Advancement</td>
<td>329</td>
<td>0</td>
<td>0</td>
<td>329</td>
</tr>
<tr>
<td>University Enterprise</td>
<td>-188</td>
<td>0</td>
<td>0</td>
<td>-188</td>
</tr>
<tr>
<td><strong>Total Base Operating Funds</strong></td>
<td>$16,597</td>
<td>$2,234</td>
<td>$2,089</td>
<td>$12,274</td>
</tr>
<tr>
<td><strong>Total Campus Cost Recovery</strong></td>
<td>$16,008</td>
<td>0</td>
<td>0</td>
<td>$16,008</td>
</tr>
</tbody>
</table>
2018 Fall Review: Capital Projects

Initial Budget: $42,038

Initial New Budget: $36,282

Total Initial Budget: $78,320

Adjustments (Q1):
- 96221461 - North Campus District Plan (Formerly Winston) - Completed -3
- 96221508 - CW-Landscape Master Plan - Completed 0
- DM16RTC03 - RTC Emergency Seismic Repairs (CSU) - Completed -1

Total Adjustments: -4

2018/19 Q1 Revised Budget¹: $78,316

Notes:
1. The 2018-19 Budget does not include the $129 millions Public/Private-Partnership (P3) Fund for the Holloway Student Housing - Mixed Use Project. The P3 fund will directly manage by the developer. 2. The Forecast for the project costs through the end of the current fiscal year provided by the Project Managers. 3. The State Revenue Bond (SRB) funds for the CA BECA Replacement Building Project are not fully allocated to the campus. The remaining $27.1 millions SRB will not be allocated until the existing SRB Fund fully expended.

Financial Status

<table>
<thead>
<tr>
<th>Amount</th>
<th>Spent YTD</th>
<th>Forecast</th>
<th>Open Commitments</th>
<th>Funding Pending</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,398</td>
<td></td>
<td>66,070</td>
<td>-8,454</td>
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<tr>
<td></td>
<td></td>
<td>18,302</td>
<td>76%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>21%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>$78,316</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Open Commitments

<table>
<thead>
<tr>
<th>Amount</th>
<th>CA-BECA Replacement Building</th>
<th>University Club Renovation</th>
<th>Housing Projects</th>
<th>Campus DM Projects</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>60,646</td>
<td>637</td>
<td>894</td>
<td>1,871</td>
<td>2,022</td>
</tr>
<tr>
<td></td>
<td>92%</td>
<td>1%</td>
<td>1%</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$66,070</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</table>

Spending

<table>
<thead>
<tr>
<th>Ca-BECA Replacement Building</th>
<th>University Club Renovation</th>
<th>Housing Projects</th>
<th>Campus DM Projects</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>92%</td>
<td>1%</td>
<td>1%</td>
<td>3%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Notes:
1. The 2018-19 Budget does not include the $129 millions Public/Private-Partnership (P3) Fund for the Holloway Student Housing - Mixed Use Project. The P3 fund will directly manage by the developer. 2. The Forecast for the project costs through the end of the current fiscal year provided by the Project Managers. 3. The State Revenue Bond (SRB) funds for the CA BECA Replacement Building Project are not fully allocated to the campus. The remaining $27.1 millions SRB will not be allocated until the existing SRB Fund fully expended.
California State University
Budget Request Summary
Fiscal Year 2019-20
CSU Budget Plan Investments for 2019-20 Fiscal Year

• Elevate student success via Graduation Initiative 2025, removing barriers to achievement and implementing innovative approaches to learning and teaching

• Compensate our employees fairly

• Focus on maintaining affordability while enhancing our offerings and outreach

• Expand access through enrollment growth, ensuring more Californians are able to enroll in the CSU and earn a degree

• Renew and repair our aging facilities and infrastructure to provide the best and safest environment for students, faculty and staff
## 3 YEAR TREND - CSU BUDGET SUMMARY

<table>
<thead>
<tr>
<th></th>
<th>2017-18 Actuals</th>
<th>2018-19 Final Budget</th>
<th>Increment</th>
<th>2019-20 Budget Year</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Budget</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Fund</td>
<td>3,109</td>
<td>3,309</td>
<td>376</td>
<td>3,685</td>
<td></td>
</tr>
<tr>
<td>Tuition and Other Fees</td>
<td>3,275</td>
<td>3,118</td>
<td>98</td>
<td>3,216</td>
<td></td>
</tr>
<tr>
<td><strong>Total Operating Budget</strong></td>
<td><strong>$6,384</strong></td>
<td><strong>$6,427</strong></td>
<td><strong>$474</strong></td>
<td><strong>$6,901</strong></td>
<td><strong>8.2%</strong></td>
</tr>
<tr>
<td>General Fund, Academic Facilities and Infrastructure</td>
<td>$341</td>
<td>$341</td>
<td>$80</td>
<td>$421</td>
<td></td>
</tr>
<tr>
<td><strong>Total Operating Budget &amp; Infrastructure</strong></td>
<td><strong>$6,725</strong></td>
<td><strong>$6,768</strong></td>
<td><strong>$554</strong></td>
<td><strong>$7,322</strong></td>
<td><strong>8.2%</strong></td>
</tr>
</tbody>
</table>
## 2019-20 CSU GENERAL FUND OPERATING BUDGET PLAN - AUGMENTATION

### USE OF FUNDS

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (In millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Graduation Initiatives 2025</td>
<td>$75</td>
</tr>
<tr>
<td>Compensation</td>
<td>148</td>
</tr>
<tr>
<td>5% Increase Enrollment Growth</td>
<td>206</td>
</tr>
<tr>
<td>Academic Facilities and Infrastructure</td>
<td>80</td>
</tr>
<tr>
<td>Mandatory Cost Increases</td>
<td>45</td>
</tr>
<tr>
<td>Health Benefits</td>
<td>7</td>
</tr>
<tr>
<td>Retirement</td>
<td>27</td>
</tr>
<tr>
<td>Minimum Wage Increase</td>
<td>5</td>
</tr>
<tr>
<td>Maintenance of New Facilities</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total New Uses</strong></td>
<td><strong>$554</strong></td>
</tr>
</tbody>
</table>
### 3 years Budget Summary and Highlights by Program

<table>
<thead>
<tr>
<th>Category</th>
<th>2017-18 Actuals</th>
<th>2018-19 Current Year</th>
<th>Adjustment</th>
<th>2019-20 Budget Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>2,657</td>
<td>2,773</td>
<td></td>
<td>2,773</td>
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<tr>
<td>Research</td>
<td>21</td>
<td>18</td>
<td></td>
<td>18</td>
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<tr>
<td>Public Service</td>
<td>20</td>
<td>15</td>
<td></td>
<td>15</td>
</tr>
<tr>
<td>Academic Support</td>
<td>703</td>
<td>688</td>
<td></td>
<td>688</td>
</tr>
<tr>
<td>Student Services</td>
<td>729</td>
<td>718</td>
<td></td>
<td>718</td>
</tr>
<tr>
<td>Institutional Support</td>
<td>838</td>
<td>871</td>
<td></td>
<td>871</td>
</tr>
<tr>
<td>Operation and Maintenance of Plant</td>
<td>1,013</td>
<td>944</td>
<td></td>
<td>944</td>
</tr>
<tr>
<td>Student Grants and Scholarships</td>
<td>743</td>
<td>740</td>
<td></td>
<td>740</td>
</tr>
<tr>
<td>New expenditures</td>
<td>0</td>
<td>0</td>
<td></td>
<td>554</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>$6,725</strong></td>
<td><strong>$6,768</strong></td>
<td><strong>$554</strong></td>
<td><strong>$7,322</strong></td>
</tr>
</tbody>
</table>
IMPLICATIONS TO 2019-20 CAMPUS BUDGET PLANNING

• The 2019-20 Budget plan will continue to develop as additional information becomes available:
  • Governor’s January Plan- posted on university budget website
  • Legislator Analyst- May
  • Governor’s May Revise
  • Final State Budget (June)
  • Final CSU Budget Allocations (July-August)
San Francisco State University
January’s Governor Budget
2019-20 GOVERNOR’S BUDGET-HIGHLIGHTS OF ECONOMIC OUTLOOK

UNITED STATES
- Expectation of continued but moderate level of GDP growth in the forecast period
- Unemployment rates lower causing higher wage growth
- Inflation and interest rates rising
- Trade dispute create uncertainties

CALIFORNIA
- Slower Job growth – it slowed consistently since 2015 this trend will continue through 2020
- Steady Wage and Salary growth – total wages and salaries growing above average rate as recent years, due to record low unemployment
- Consumer inflation expected to remain high

Source: The 2019-20 California’s Fiscal Outlook (LAO)
Risks and Challenges for Changing Economy

➢ Stock Market Levels Off (up and down throughout 2018)

➢ Risk of Forecasted Eventual US Recession

➢ Geopolitical Risks that affects US Growth

Source: The 2019-20 California’s Fiscal Outlook (LAO)
FY2019-20 ENACTED STATE’S BUDGET - REVENUES

(In Billions)

- Personal Income: $100
- Sales & Use Taxes: 27
- Corporation Tax: 13
- Insurance Tax: 3
- All Other: 1

Total: $144
FY2019-20 ENACTED STATE’S BUDGET - EXPENDITURES

(In Billions)

K-12 Education $59
Health 30
Higher Education 17
Corrections and Rehabilitation 12
Human Services 10
Natural Resources 4
Other 12

$144
## 2019-20 SF STATE UNIVERSITY BUDGET ALLOCATION

(In millions)

<table>
<thead>
<tr>
<th></th>
<th>FY2019-20 CSU BUDGET PLAN</th>
<th></th>
<th>FY2019-20 JANUARY’S GOV. BUDGET</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>One-Time</td>
<td>Base</td>
<td>One-Time</td>
<td>Base</td>
</tr>
<tr>
<td>Graduation Initiative (GI) 2025</td>
<td>$75</td>
<td>0</td>
<td>$45</td>
<td></td>
</tr>
<tr>
<td>Compensation</td>
<td>148</td>
<td>0</td>
<td>148</td>
<td></td>
</tr>
<tr>
<td>Enrollment Growth 2% (1)</td>
<td>108</td>
<td>0</td>
<td>62</td>
<td></td>
</tr>
<tr>
<td>Infrastructure</td>
<td>250</td>
<td>80</td>
<td>247</td>
<td>0</td>
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<tr>
<td>Mandatory Cost Increase</td>
<td>45</td>
<td>0</td>
<td>45</td>
<td></td>
</tr>
<tr>
<td>Basic Needs Initiatives (2)</td>
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<td>SUG Expense Adjustment</td>
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<td><strong>Total</strong></td>
<td><strong>$265</strong></td>
<td><strong>$376</strong></td>
<td><strong>$262</strong></td>
<td><strong>$300</strong></td>
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1 Cost to increase enrollment 5% less increase from tuition revenue- $98mil
2 New campus Stockton-2 mil; student hunger and housing initiatives- $15mil
San Francisco State University
Preliminary Budget Planning
and
Budget Calendar
SFSU Budget Assumptions – Summary Level (20,000 ft.)

**Multi-year Budget Plan**
- Develop plan and set annual targets for revenue growth
- Phased growth in enrollment and master enrollment plan to match growth in class sections and housing offering
- Establish annual targets for cost savings and reductions based on efficiencies and operational excellence

**Scenario Budget Plan**
- Develop best, medium and worst case operating, capital and reserve level budgets with varying assumptions
- Forecast different staffing and operating expenses levels depending on state funding exceeding CO budget requests to economic downturn
- Building contingency budget line item and avoid reliance on carryforwards
Opportunities

- Integrated planning and budgeting and match with strategic initiatives
- Diversify general fund revenue and other non-operating revenue
- Finalize resources allocation process supporting strategic initiatives
- Reserve policy for emergencies, one-time strategic projects and capital and IT projects

Challenges

- SFSU enrollment growth given CO state funding allocation with 2% increase
- Optimum mix of curriculum delivery, student services and administrative support
- Increasing mandatory costs (i.e. wages, benefits, retirement costs etc.)
- Significant deferred maintenance and aging campus facilities
- Access to financing to support campus master plan and IT master plan
SFSU Fiscal Initiatives – Spring Semester 2019

Major Fiscal Initiatives (Top 3)
- University wide hiring plan and position management
- Reserve policy to support emergencies, strategic initiatives & IT and capital projects
- Budget request prioritization process – strategic initiatives

Other Major Fiscal Initiatives
- Cost allocations and recharge review by CO audit and advisory services
- Cost and revenue analytical model (Grant Thornton)
California State University
Cost Efficiencies and Operational Excellence
Chief Procurement Officer’s Association 23C Strategic Plan
presented by Arun Casuba at CABO
Our Vision
Our vision is to be a strategic partner contributing to the financial health of the CSU and higher education.

Our Mission
Our mission is to be a trusted partner through collaboration to maximize value across the CSU system by optimizing the procurement of goods and contracted services.

Our Values
Our values influence behavior, culture and create the conditions for achieving our Collaborative, Visionary, Results-driven, Service.

Our vision guides our strategy. Our mission directs our priorities. And our core values create a culture that enables us to deliver the highest level of service to our students, faculty and staff.
Strategic Direction #1

People: Develop, Retain and Recognize Our Team

Create an environment that attracts a talented workforce, supports and cultivates team members, and rewards their contributions. Provide opportunities for people to enhance well-being, personal growth and professional development.

Related Goal(s)

1. Increase the number of procurement professionals across the CSU who possess a Professional Procurement Certification (ie. CPSM, CPPB, CPPO).

2. Increase the number of procurement professionals across the CSU who have completed the five CSU procurement training modules within the last five years.

3. Education committee to review and recommend training modules to keep pace with changing technology, regulatory requirements and best practices.

4. Annual recognition of campuses and individuals.

5. Education committee to establish a CSU CPO mentoring program.
Strategic Direction #2

Technology: Leverage existing technology to align key business processes and implement new technology to address innovation gaps.

Eliminate the current technology gaps by leveraging existing technology partners. Create pathways to implement new technologies.

Related Goal(s)

1. Analyze existing technology and develop a roadmap to implement technology upgrades, enhancements or new acquisitions.
2. Expand Campus Marketplace and integrate with ERP system.
3. Implement CalUsource.
4. Implement travel expense management.
5. Implement sourcing project pipeline and saving tracking tools.
Strategic Direction #3

Collaborate: Work as a system to ensure shared standards and maximum value for the CSU

Work collectively to focus on delivering the highest level of customer value. Adopt a CSU-wide commitment to innovation and excellence. Embrace continuous improvement as a path to achieving service excellence.

Related Goal(s)

1. Establish an annual sourcing plan for Category Management across the CSU.
2. Create centers of excellence to leverage collective CSU knowledge.
3. Establish consensus methodology for cost savings, setting cost savings, cost avoidance, or revenue generation targets for CSU system.
4. Set CSU shared best practices and procurement standards.
5. Communicate more effectively on procurements utilizing more focused collaboration tools.
Strategic Direction #4

Market procurement as a strategic function and trusted partner

Engage individual campus and CSU leadership through consistent messaging to promote how procurement's strategic value to the organization as a trusted partner ensuring the best value for the CSU.

Related Goal(s)

1. Establish the CSU Chief Procurement Officers Association 23C Plan.
2. Develop a marketing and communication roadmap for the Chief Procurement Officers Association and 23C Plan.
3. Promote and market our value to campus clients and senior leaders.
4. Promote and market the CSU to our peers and industry, such as National Association of Educational Procurement, University of California, California Community Colleges and suppliers.
Strategic Direction #5

Align the CSU and individual campus procurement structures to effectively impact campus objectives and align them with fellow campuses.

Deliver meaningful client partnerships that allow for procurement planning. Establish alignment with CSU Chief Procurement Officers Association on organizational structure.

Related Goal(s)

1. Establish customer relation managers or client based models, when possible.


3. Chief Procurement Officers Association committee governance and goal assignments.
Strategic Direction #5

Align the CSU and individual campus procurement structures to effectively impact campus objectives and align them with fellow campuses

Deliver meaningful client partnerships that allow for procurement planning. Establish alignment with CSU Chief Procurement Officers Association on organizational structure.

Related Goal(s)

1. Establish customer relation managers or client based models, when possible.
3. Chief Procurement Officers Association committee governance and goal assignments.
23 Campuses

CSU Bakersfield
Channel Islands
California State University Chico
California State University Dominguez Hills
California State University East Bay
Fresno State
California State University Fullerton
Humboldt State University
California State University Long Beach
Cal State LA
Cal Maritime
California State University Monterey Bay
California State University Northridge
Cal Poly Pomona
Sacramento State
California State University San Bernardino
San Diego State University
San Francisco State University
San José State University
Cal Poly San Luis Obispo
California State University San Marcos
Sonoma State University
California State University Stanislaus
SF State University
Cost Efficiency and Operational Excellence, January 2019
Overview

1. 23C Strategic Plan created by the Chief Procurement Officer Association (CPOA) focusing on strategic directions for cost savings

2. FY18/19 Cost Savings goals for San Francisco State University

3. YTD actual cost savings via cost avoidance and cost containment

4. All savings validated by the Chancellor’s Office using a cost savings tool
2018 SF State Strategic Initiative Cost Savings

- Environmental & Hazardous Service: 2.7%
- Facilities: 7.0%
- Information Technology Services: 82.3%
- Library: 0.5%
- Procurement: 4.8%
- Student Affairs: 0.2%
- University Communications: 2.4%

One time savings $405K and ongoing $87K

Note: One time savings represents a service contract cancellation.
Validation Of Cost Savings

• All cost savings are vetted and approved via the Chancellor’s Office

• Savings comprised of Cost Reduction, Cost Avoidance, Incentives, Revenues, and Efficiency gained

• Chancellor’s Office uses a software platform utilizing a cost savings tool that we submit formal reviews of each cost savings submittals to validate the methodology and dollar amount
Open Forum

Ten Minutes
(Three Minutes per Speaker)
Next Meeting:

Monday, May 13, 2019
10:00 am – 12:00 pm

Thank you for attending.