Agenda

1. Welcome and Announcements (President Wong and VP Sherman)
2. Approval of Dec. 1, 2017 Meeting Minutes (VP Sherman)
3. Governor’s January “initial proposed budget” (Dominique Cano-Stocco, Exec. Director, Gov’t & Community Relations)
4. Enrollment Update (Sutee Sujitparapitaya, Assoc. Provost, Institutional Analytics, Academic Affairs)
5. 2016-2017 Audited Financial Statements (Jeff Wilson, AVP Fiscal Affairs)
6. Science Building/renovations (VP Porth) *(postponed)*
7. Updated Committee Charge/Membership (Nancy Gerber, Chair, Academic Senate)
8. Open Forum; Ten minutes, 3-minute limit per speaker
9. Next UBC Meetings for 2017/2018 term:
   - Friday, April 6th, 2018 - 10:00am - 12:00pm
   - Thursday, July 10th, 2018 - 10:00am - 12:00pm
Welcome
and
Announcements

President Les Wong
and
Ann Sherman, Vice President & CFO (Interim)
Administration & Finance
Approval of December Minutes

___________

Ann Sherman, Vice President & CFO (Interim)  
Administration & Finance
Governor’s January “initial proposed budget”

Dominique Cano-Stocco
Executive Director
Government & Community Relations
University Advancement
State Budget Update

Dominique Cano-Stocco
Government & Community Relations
A Conservative Budget

= CSU Has Advocacy Work To Do
2019 Budget Highlights

- The 2019 budget proposal = $190.3 billion in total
- $5 billion more added to the Rainy Day “Piggy Bank.”
- The Rainy Day Fund provides $13.5 billion for a fiscal emergency.
- EX: $900 million is needed to refund the state coffers for emergency fire relief.
Why So Conservative?

- Governor Brown has consistently warned of a looming recession
- He did not have a surplus when he became governor & this has been his #1 priority
- This is his last budget, so he was expected to propose a conservative budget
Impacts to CA

- Bull Market, but Looming Recession
- Federal Tax Reform
  - SALT deductions
- Possible Federal Program Cuts to Social Services
- 2018 Fire Season
“We won’t know the true impacts of the federal tax changes on California’s economy until next spring, when individual taxes are filed.”

—Dominique (repeatedly)
CSU Allocation

- CSU expected a $102 million increase to the base budget, but got $92 million.
- That’s still @ 2.7% increase
- CSU worries that @ $153 million in mandatory costs won’t be funded
The CSU Base Operational Budget = $3.4 billion. *About equal to the UC.
The Governor’s proposed $92 million, or the CSU’s requested $283 million, would be... **ON TOP OF** the base operational funding.
What About The Rest of the Education Community?

- The Governor prioritized speeding-up the full funding of his 2013 K-12 education plan, the Local Control Funding Formula. An additional $3 billion was allocated.

- $120 million for a new state-wide online community college.

- Again, the UC was funded at the same level as the CSU.
Now What?

- We advocate, advocate, advocate!
- Feb. 1 SFSU meets with our state legislators to kick-off budget ask
- March 7 All CSU budget advocacy day
- Combine with social media activities
- We re-adjust our message in May and bring it home in June!
The Department of Finance welcomes you to the
California Budget
2018–19
Edmund G. Brown Jr. Governor
State of California

Select Budget Year
2018-19

Governor's Proposed Budget
( January )
The Budget proposed by the Governor
Summary »
Detail »

May Revision
( May )
Changes to the Governor's Proposed Budget based upon the latest economic forecasts

Enacted Budget
( Summer )
The Budget passed by the Legislature and signed by the Governor

Stay Tuned!
[ebudget.ca.gov](http://ebudget.ca.gov)
Enrollment Update

Sutee Sujitparapitaya
Associate Provost
Institutional Analytics, Academic Resources
Academic Affairs
Enrollment Update
College Year 2017-18 & College Year 2018-19

By Sutee Sujitparapitaya
February 1, 2018
## Headcount Enrollment

<table>
<thead>
<tr>
<th></th>
<th>University Total</th>
<th>FTES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>S17</td>
<td>S18</td>
</tr>
<tr>
<td><strong>New Students</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st Time Freshmen</td>
<td>114</td>
<td>72</td>
</tr>
<tr>
<td>New UG Transfers</td>
<td>1,386</td>
<td>1,051</td>
</tr>
<tr>
<td>New Pbac</td>
<td>77</td>
<td>59</td>
</tr>
<tr>
<td>1st Time Graduates</td>
<td>185</td>
<td>175</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,762</td>
<td>1,357</td>
</tr>
<tr>
<td><strong>Continuing Students</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undergraduates</td>
<td>22,094</td>
<td>22,550</td>
</tr>
<tr>
<td>2BA/Pbac</td>
<td>228</td>
<td>237</td>
</tr>
<tr>
<td>Graduates</td>
<td>2,196</td>
<td>2,208</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>24,518</td>
<td>24,995</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undergraduates</td>
<td>23,594</td>
<td>23,673</td>
</tr>
<tr>
<td>2BA/Pbac</td>
<td>305</td>
<td>296</td>
</tr>
<tr>
<td>Graduates</td>
<td>2,381</td>
<td>2,383</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>26,280</td>
<td>26,352</td>
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</tbody>
</table>

### Average Unit Load

<table>
<thead>
<tr>
<th></th>
<th>S17</th>
<th>S18</th>
<th>Diff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduates</td>
<td>12.84</td>
<td>13.93</td>
<td>0.09</td>
</tr>
<tr>
<td>2BA/Pbac</td>
<td>12.16</td>
<td>11.24</td>
<td>0.92</td>
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<tr>
<td>Graduates</td>
<td>8.63</td>
<td>8.73</td>
<td>0.10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>12.45</td>
<td>12.53</td>
<td>0.08</td>
</tr>
</tbody>
</table>
College Year Trend – New Students

**Headcount - CA Residents**

College Year (Headcount) = Summer + Fall + Spring

**Headcount - Non-Residents**

College Year (Headcount) = Summer + Fall + Spring
CY 2017-18 Projection - **FTES**

**CY 2017-18 = College Year 2017-2018 (Summer 2017 + Fall 2017 + Spring 2018)**

### FTES - CA Residents

- **2007-08:** 23,957
- **2008-09:** 23,738
- **2009-10:** 23,288
- **2010-11:** 22,607
- **2011-12:** 22,927
- **2012-13:** 23,181
- **2013-14:** 22,731
- **2014-15:** 22,140
- **2015-16:** 23,580
- **2016-17:** 23,237
- **2017-18:** 24,119

- **0.1% above CO Target** (24,099 FTES)

### FTES - Non-Residents

- **2007-08:** 1,628
- **2008-09:** 1,754
- **2009-10:** 1,794
- **2010-11:** 1,574
- **2011-12:** 1,546
- **2012-13:** 1,535
- **2013-14:** 1,601
- **2014-15:** 1,663
- **2015-16:** 1,806
- **2016-17:** 1,660
- **2017-18:** 1,485

- **8.1%**
- **10.6%**
### Fall 2017 vs. Fall 2018 Comparison of New Student Application (as of 1/24/2018)

<table>
<thead>
<tr>
<th></th>
<th>University Total</th>
<th>CA Residents</th>
<th>Non-Residents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F17</td>
<td>F18</td>
<td>Diff</td>
</tr>
<tr>
<td>1st Time Freshmen</td>
<td>34,521</td>
<td>35,258</td>
<td>2.1%</td>
</tr>
<tr>
<td>New UG Transfers</td>
<td>23,201</td>
<td>15,198</td>
<td><strong>-34.5%</strong></td>
</tr>
</tbody>
</table>

**Excluded “Redirect” Applications**

### CY 2018-19 Projections – CA Residents Only (as of 1/24/2018)

#### CA Residents

<table>
<thead>
<tr>
<th></th>
<th>Summer 2018</th>
<th>Fall 2018</th>
<th>Spring 2019</th>
<th>CY 2018-19</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>HC</td>
<td>FTES</td>
<td>HC</td>
<td>FTES</td>
</tr>
<tr>
<td>1st Time Freshmen</td>
<td>-</td>
<td>-</td>
<td>3,941</td>
<td>3,457</td>
</tr>
<tr>
<td>New UG Transfers</td>
<td>-</td>
<td>-</td>
<td>2,600</td>
<td>2,140</td>
</tr>
<tr>
<td>New Pbac</td>
<td>-</td>
<td>-</td>
<td>143</td>
<td>138</td>
</tr>
<tr>
<td>1st Time Graduates</td>
<td>46</td>
<td>8</td>
<td>828</td>
<td>719</td>
</tr>
<tr>
<td>Total</td>
<td>46</td>
<td>8</td>
<td>7,512</td>
<td>6,453</td>
</tr>
</tbody>
</table>

#### New Undergraduates

<table>
<thead>
<tr>
<th></th>
<th>Summer 2018</th>
<th>Fall 2018</th>
<th>Spring 2019</th>
<th>CY 2018-19</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>HC</td>
<td>FTES</td>
<td>HC</td>
<td>FTES</td>
</tr>
<tr>
<td>Undergraduates</td>
<td>5,453</td>
<td>2,298</td>
<td>18,289</td>
<td>15,294</td>
</tr>
<tr>
<td>2BA/Pbac</td>
<td>39</td>
<td>38</td>
<td>186</td>
<td>107</td>
</tr>
<tr>
<td>Graduates</td>
<td>384</td>
<td>144</td>
<td>1,464</td>
<td>1,023</td>
</tr>
<tr>
<td>Total</td>
<td>5,876</td>
<td>2,488</td>
<td>19,939</td>
<td>16,424</td>
</tr>
</tbody>
</table>

#### Total

<table>
<thead>
<tr>
<th></th>
<th>Summer 2018</th>
<th>Fall 2018</th>
<th>Spring 2019</th>
<th>CY 2018-19</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>HC</td>
<td>FTES</td>
<td>HC</td>
<td>FTES</td>
</tr>
<tr>
<td>Undergraduates</td>
<td>5,453</td>
<td>2,298</td>
<td>24,830</td>
<td>20,890</td>
</tr>
<tr>
<td>2BA/Pbac</td>
<td>39</td>
<td>38</td>
<td>329</td>
<td>244</td>
</tr>
<tr>
<td>Graduates</td>
<td>430</td>
<td>152</td>
<td>2,292</td>
<td>1,742</td>
</tr>
<tr>
<td>Total</td>
<td>5,922</td>
<td>2,488</td>
<td>27,451</td>
<td>22,877</td>
</tr>
</tbody>
</table>

**CO Target** 24,099

### Assumptions:
- Fall 2018 New Undergraduates = (# Applications * 3-fall Average Application to Enrollment Ratios)
- Fall 2018 New Credentials and New Graduates = Fall 2017 Census
- Spring 2019 New Undergraduates, New Credentials, and New Graduates = Spring 2018 Census
- Summer 2018 Enrollment = Summer 2017 Census
CY 2018-19 = College Year 2018-2019 (Summer 2018 + Fall 2018 + Spring 2019)

**FTES - CA Residents**

- 2007-08: 23,957
- 2008-09: 23,738
- 2009-10: 23,288
- 2010-11: 22,607
- 2011-12: 22,927
- 2012-13: 23,181
- 2013-14: 22,731
- 2014-15: 22,140
- 2015-16: 23,580
- 2016-17: 23,237
- 2017-18: 24,119
- 2018-19: 23,578

2.2% below CO Target (24,099 FTES)

**FTES - Non-Residents**

- 2006-07: 1,509
- 2007-08: 1,628
- 2008-09: 1,754
- 2009-10: 1,796
- 2010-11: 1,574
- 2011-12: 1,546
- 2012-13: 1,601
- 2013-14: 1,663
- 2014-15: 1,806
- 2015-16: 1,660
- 2016-17: 1,485
- 2017-18: 1,420

8.1% 10.6% 4.3%
2016-2017 Audited Financial Statements

Jeff Wilson
Associate Vice President
Fiscal Affairs
Administration & Finance
SFSU Audited Financial Statements

FY2016/17
SFSU Audited Financial Statements

- Audited by KPMG, the CSU’s external auditor
- KPMG’s audit must comply with Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States
- KPMG’s responsibility is to express an opinion on whether the financial statements present fairly, in all material respects, the financial position, the change in financial position, and cash flows in accordance with generally accepted accounting principles (GAAP)
Balance Sheet: Assets

Total assets as of FY2015/16 vs. FY2016/17
Balance Sheet: Liabilities

Total liabilities as of FY2015/16 vs. FY2016/17

- 2015/16
- 2016/17

<table>
<thead>
<tr>
<th>Amount</th>
<th>2015/16</th>
<th>2016/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>$500,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$550,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$600,000,000</td>
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<tr>
<td>$650,000,000</td>
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<tr>
<td>$700,000,000</td>
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<tr>
<td>$750,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$800,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$850,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$900,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$950,000,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Total net position in FY2015/16 vs. FY2016/17

- FY2015/16 net position: $(5,000,000)
- FY2016/17 net position: $(45,000,000)
Total operating revenue in FY2015/16 vs. FY2016/17
Total operating expense in FY2015/16 vs. FY2016/17
Income Statement:
Non-Operating Revenue

Total non-operating revenue in 2015/16 vs. FY2016/17

<table>
<thead>
<tr>
<th>Revenue (in USD)</th>
<th>2015/16</th>
<th>2016/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>$258,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$256,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$254,000,000</td>
<td></td>
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<tr>
<td>$252,000,000</td>
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<td>$244,000,000</td>
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<td>$242,000,000</td>
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<td></td>
</tr>
<tr>
<td>$240,000,000</td>
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<td></td>
</tr>
</tbody>
</table>
1. The CFI method, developed by KPMG, includes 4 financial ratios:
   - primary reserve ratio
   - viability ratio
   - return on net assets ratio
   - net operating revenue ratio

2. The CFI score is standardized scores that fall along a scale of -4 to 10.

3. A CFI score of 3 is the threshold of institutional financial health. A score of less than 3 indicates a need for attention to the institution’s financial condition.
Primary Reserve Ratio

Are resources sufficient and flexible enough to support the University's mission?
**Primary Reserve Ratio: Benchmark: 20%-40%**

* GASB 68 excluded for the analysis
Viability Ratio

Are debt resources managed strategically to advance the University's mission?
### VIABILITY RATIO: BENCHMARK: 1.0

#### Description

<table>
<thead>
<tr>
<th>Description</th>
<th>FY10/11</th>
<th>FY11/12</th>
<th>FY12/13</th>
<th>FY13/14</th>
<th>FY14/15</th>
<th>FY15/16</th>
<th>FY16/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted Expendable Net Assets</td>
<td>$18,963,461</td>
<td>$2,728,000</td>
<td>$1,097,000</td>
<td>$572,403</td>
<td>$636,206</td>
<td>$7,680,074</td>
<td>$9,292,736</td>
</tr>
<tr>
<td>Unrestricted Net Assets</td>
<td>$95,783,255</td>
<td>$105,074,000</td>
<td>$110,613,000</td>
<td>$101,034,098</td>
<td>$100,546,890</td>
<td>$117,003,090</td>
<td>$96,045,929</td>
</tr>
<tr>
<td>Total Debt Obligation [B]</td>
<td>$251,735,842</td>
<td>$245,953,000</td>
<td>$241,980,000</td>
<td>$238,890,216</td>
<td>$232,722,807</td>
<td>$288,396,780</td>
<td>$280,847,982</td>
</tr>
<tr>
<td>Viability Ratio [A] / [B]</td>
<td>0.46</td>
<td>0.44</td>
<td>0.46</td>
<td>0.43</td>
<td>0.43</td>
<td>0.43</td>
<td>0.38</td>
</tr>
</tbody>
</table>

* GASB 68 excluded for the analysis
Return On Net Assets Ratio

Does asset performance and management support the University’s strategic direction?
**RETURN ON NET ASSETS RATIO: BENCHMARK: 3%-4%**

* GASB 68 excluded for the analysis
Net Operating Revenue Ratio

Do operating results indicate the University is living within its available resources?
Net Operating Revenue Ratio: Benchmark: 2%-4%

* GASB 68 excluded for the analysis
SFSU’s CFI Trend and Comments

* GASB 68 excluded for the analysis
QUESTIONS?
Updated
University Budget Committee
Charge

Nancy Gerber
Chair
Academic Senate
OPEN FORUM
Ten Minutes
(Three Minutes Per Speaker)
Next Meeting:

Friday, April 6th
10:00 AM – 12:00 PM

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Thank you for attending.