



San Francisco State University

We Make Great Things Happen

Fiscal Year 2016/17

April 2016 University Budget Committee

Summary of the Governor's 2016/17 Budget



Summary of the Governor's 2016/17 State Budget



Budget Highlights

- \$122.6 billion spending plan
- Advances multi-year budget plan expected to remain balanced in future years
- State revenues forecasted to increase
- Continue its reinvestment in education
 - ✓ Increase in Prop 98 Funding, \$7.6 billion, total budget \$68.4 billion
 - ✓ Funding increase for CSU and UC
- Retirement Costs expected to increase
- Rainy Day/Reserve Fund: Constitutional amendment to strengthen reserve fund
- Pay-Down Wall of Debt: maybe eliminated by 2017-18
- The state's current fiscal condition continues to improve, however it requires fiscal restraint

Summary of the Governor's 2016/17 State Budget

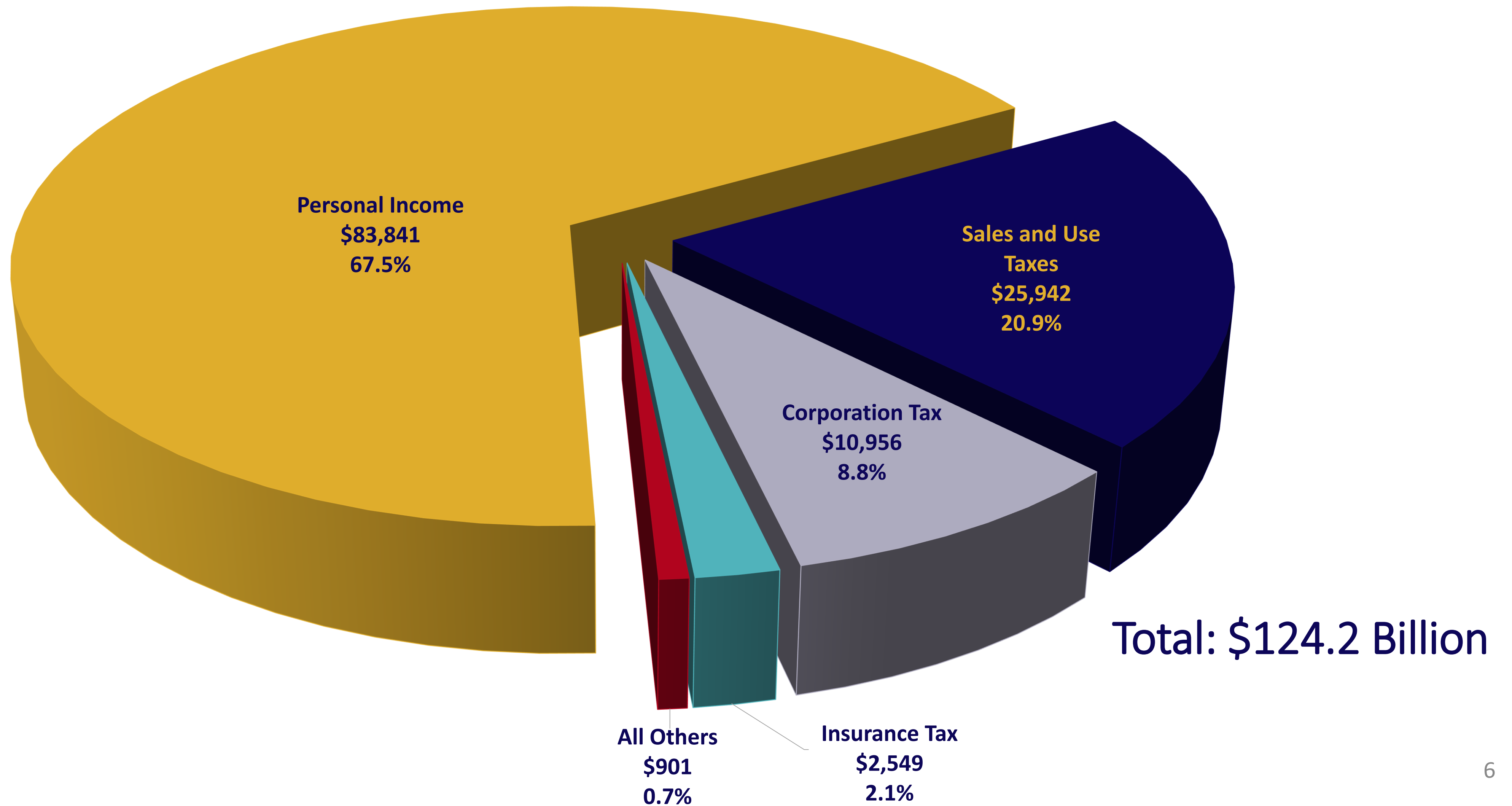


Risks Remain

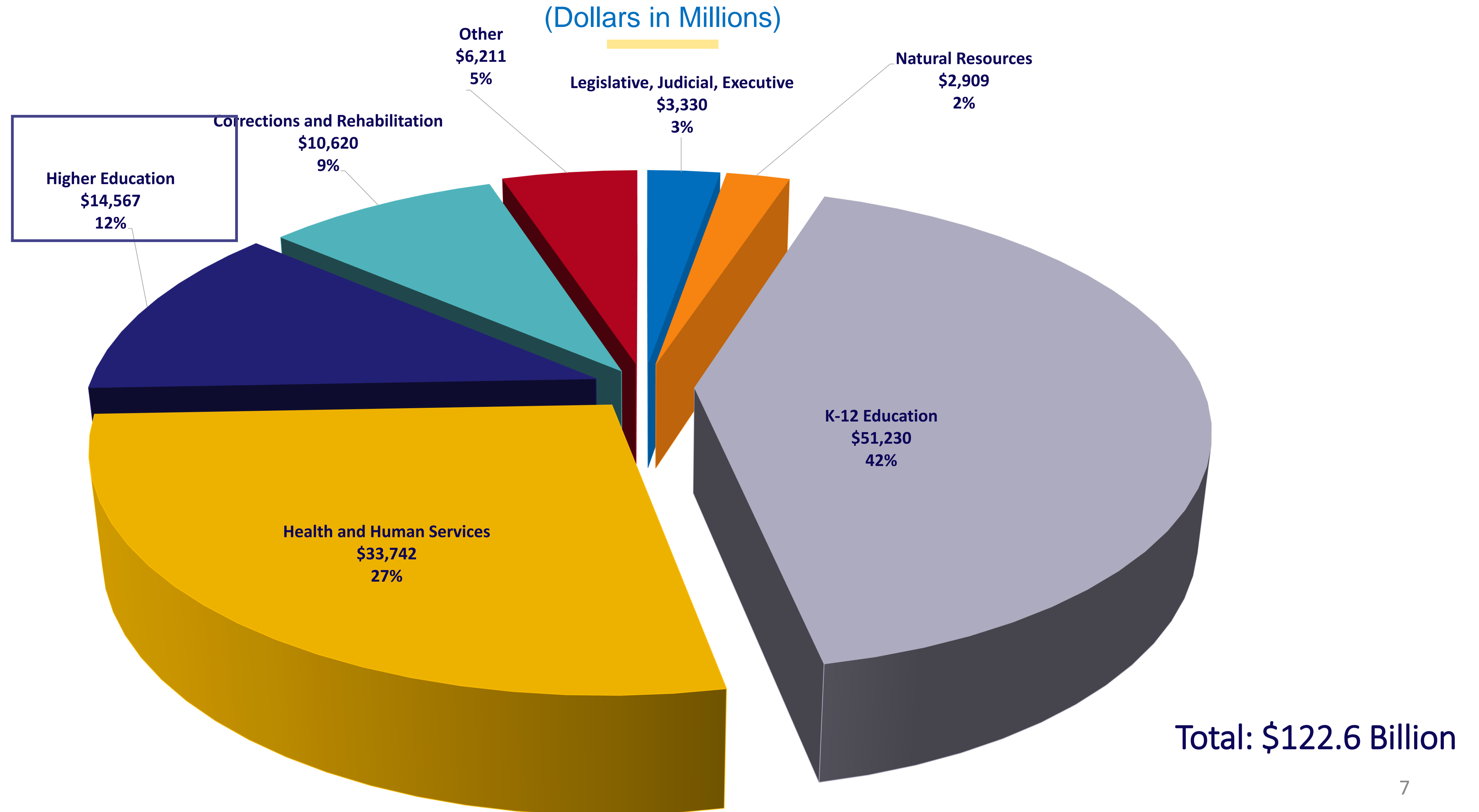
- The Budget assumes the continued expansion of economy, another recession should be planned for.
- Long-Term Liabilities: State continues to address other long-term costs pressures, debts, and liabilities
- Capital Gains are at an all high in 2015;as a result by the end 2015-16 Rainy Day Fund will meet 35% of the target.
- Last year with the full revenue of Proposition 30 (Governor's tax initiative)
- World events will affect the fiscal outlook of California

Governor's Budget Act 2016/17 General Fund Revenue Sources

(Dollars in Millions)



Governor's Budget Act 2016/17 General Fund Expenditures by Agency



Fiscal Year 2016/17
California State University
Budget Summary

April 2016

University Budget Committee

Governor's Budget Act

2016/17 California State University Budget

Budget Highlights

- \$148.3 million based funding, part of the Governor's multi-year funding plan
- Shift general obligation and lease revenue bond debt-service into CSU's budget
- Student success remains a major priority:
 - Improving graduation rates
 - Increasing the number of transfer students from community colleges
 - Increasing the number of degrees completed

Other Budget Items

- \$35M Deferred Maintenance (one-time)
- \$35M Energy Projects-Using Cap and Trade funds
- Report on Graduation Factors
- Academic Sustainability Plan

2016/17 Support Budget

(Dollars in Millions)

	CSU Support Budget	Governor's Budget
Enrollment Growth FTE	10,700	3,560
Enrollment Growth (\$)	\$ 50.9	\$ 20.7
Student Success and Completion	50.0	0.0
Mandatory Costs Increase (health benefits, space)	43.0	50.8
2% Compensation Increase	69.6	69.6
Academic Facilities & Infrastructure Needs	25.0	0.0
System Wide Initiatives	0.0	7.2
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Total Budget Increase in State Support	\$ 241.5	\$ 148.3
Deferred Maintenance (one-time)		35.0
Energy Projects (one-time)		35.0
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Total 16/17	\$241.5	\$218.3

Fiscal Year 2016/17
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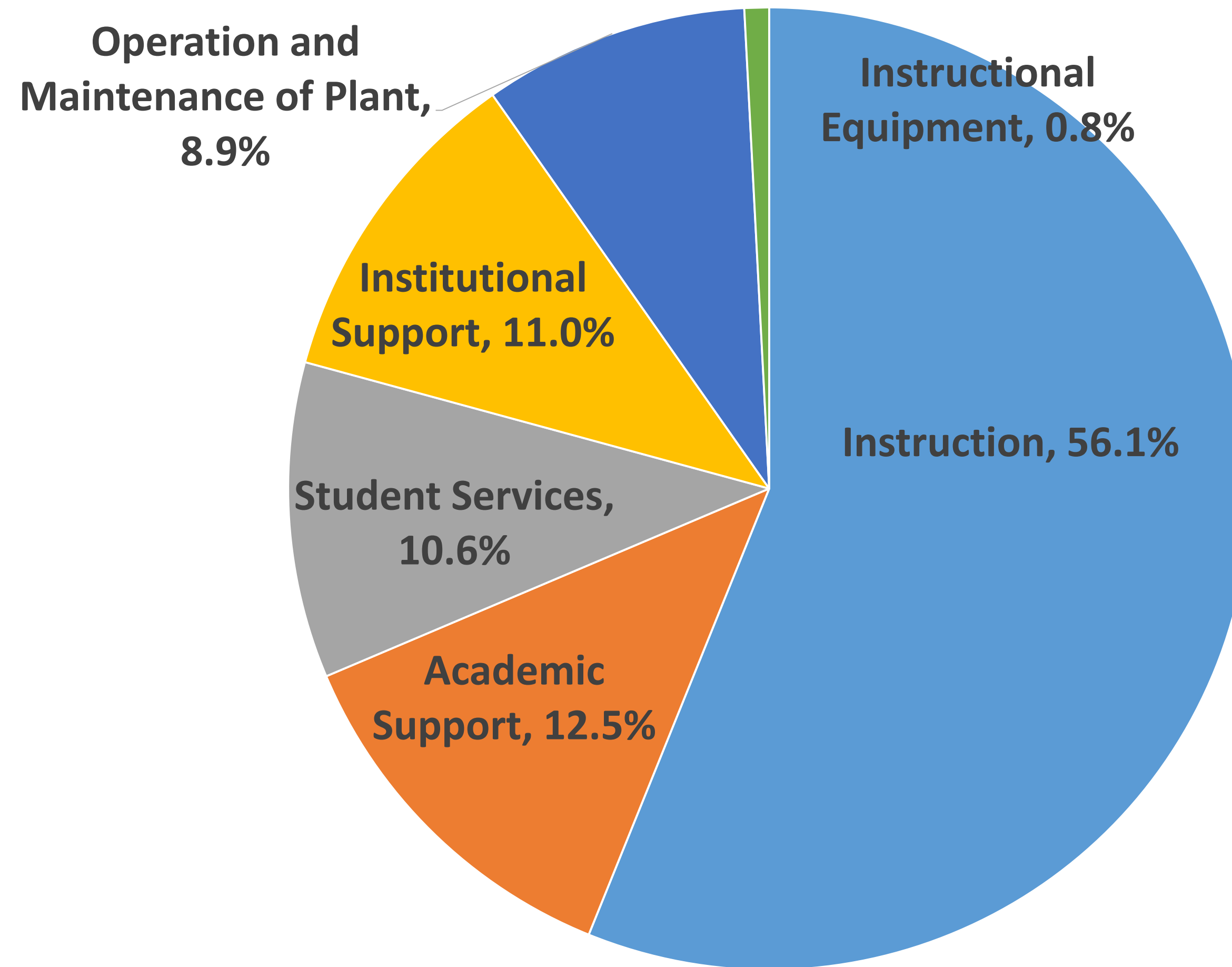
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Draft B-Memo State Appropriation Funding

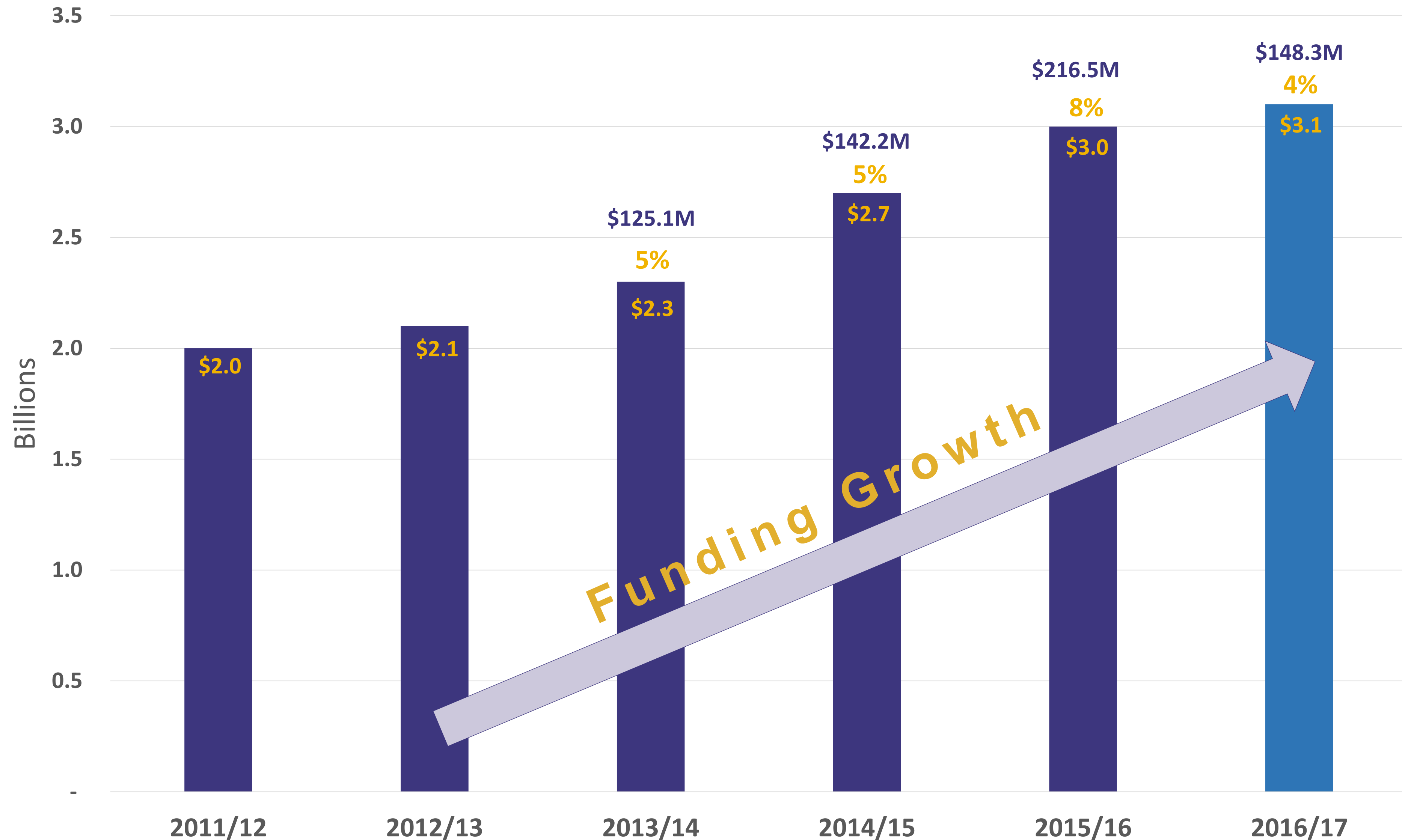
Fiscal Year 2016/17

2015-16 General Fund Base	FTES 23,836	\$	142,709,859
<i>2016-17 Funding</i>			
Retirement Rate Increase Adjustment			1,448,000
Health Benefit Rates Adjustment			2,268,000
Growth Tuition Fee Discount Adj.			(6,000)
2016-17 GSI 2% Compensation Increase/Cost			2,195,000
Enrollment Growth net of Financial Aid	FTES 180		<u>1,046,000</u>
Total 2016-17 Funding		\$	6,951,000
2016-17 General Fund Base Allocation	FTES 24,016	\$	149,660,859

Enrollment Growth Funding for 2016-17
180 FTE's – \$1,046,000
Marginal Cost Funding Formula of \$5,809/FTE

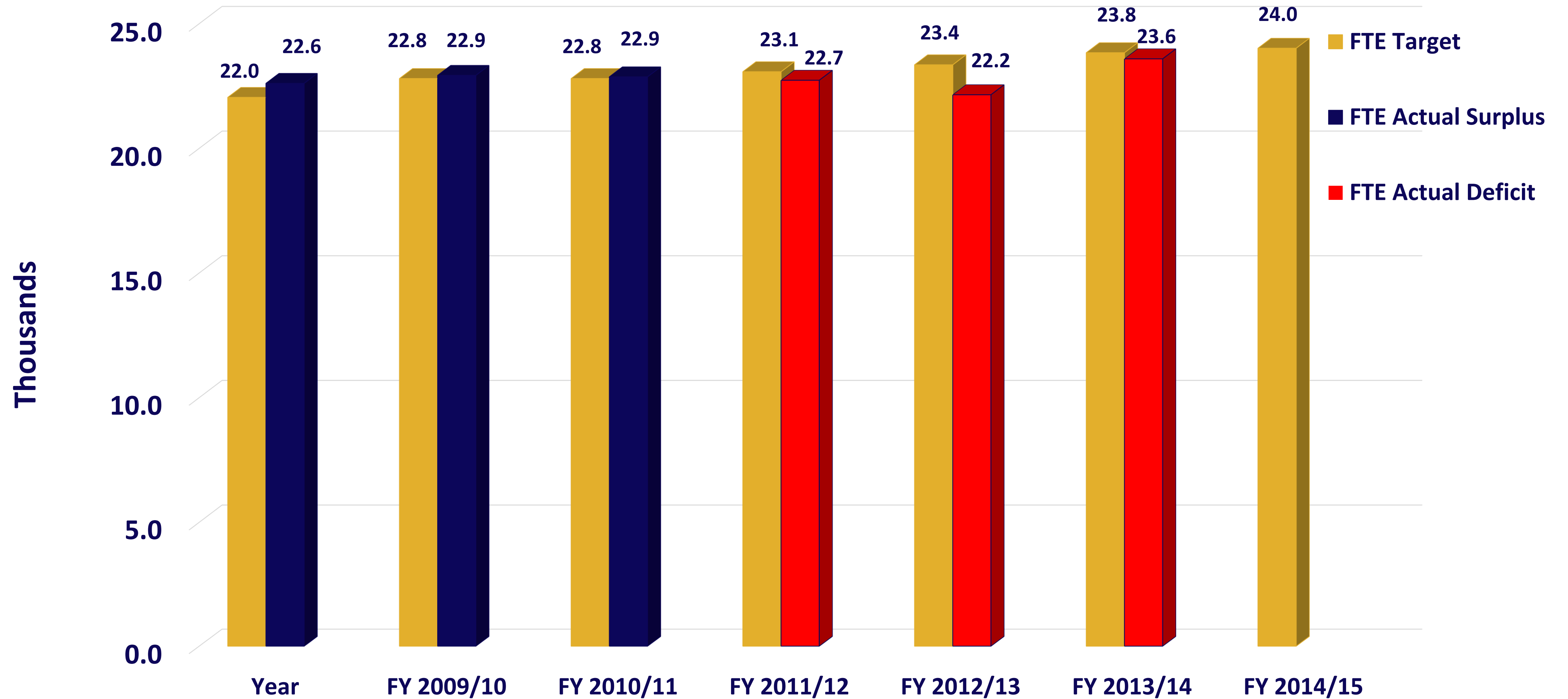


Projected CSU General Fund Budget with Governor's Assumptions



*In 2014-2016 bond debt service included in General Fund appropriation

FTE/ Actual Comparison



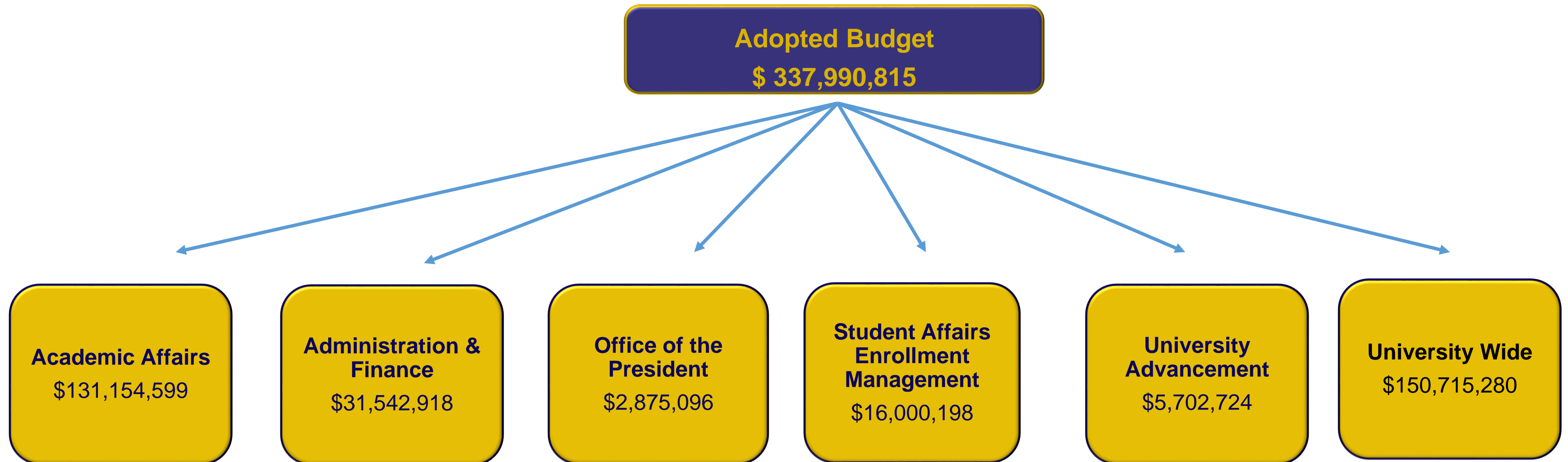
San Francisco State University Fiscal Year 2015/16 Budget Update

April, 2016



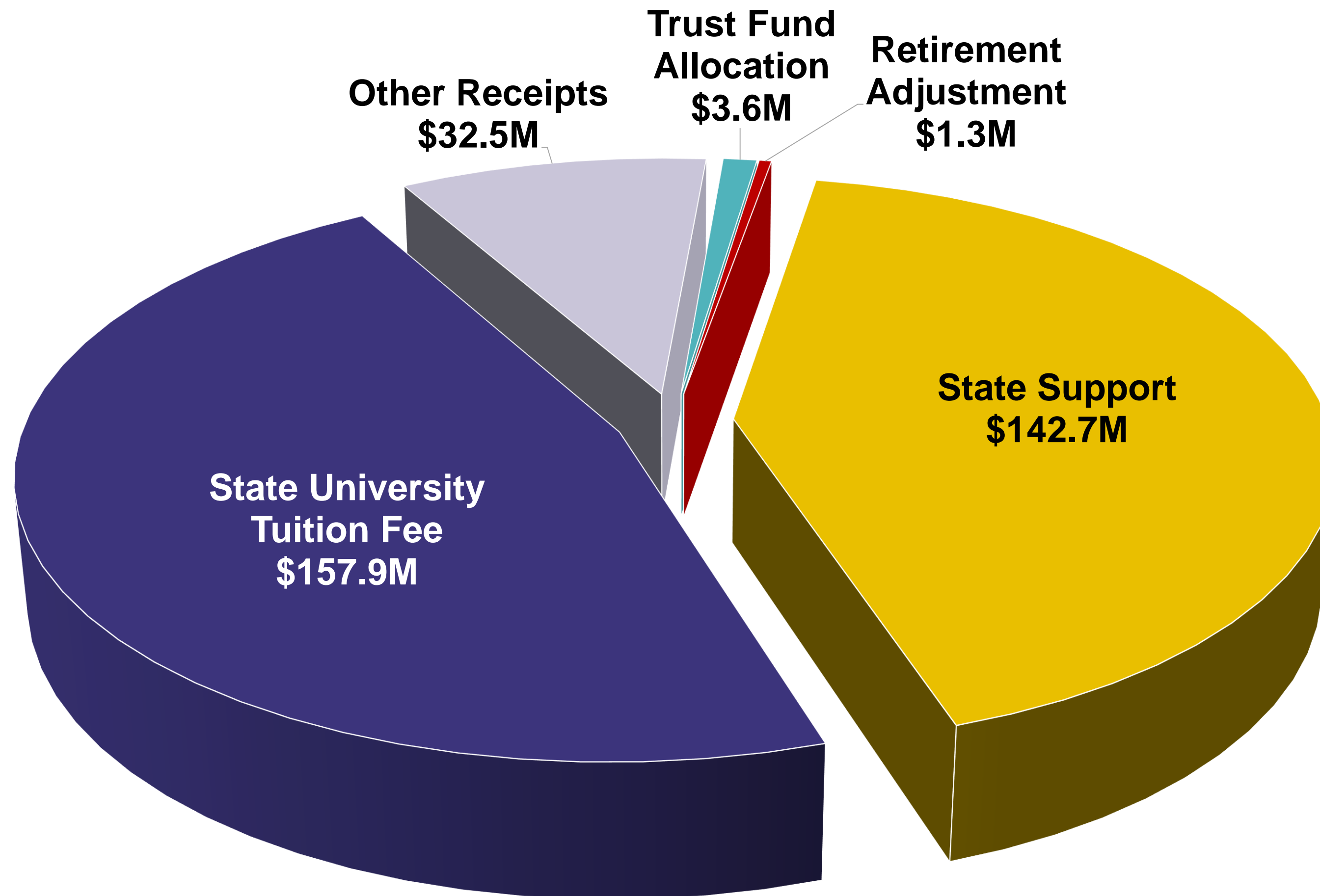
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General Fund Budget FY 2015/16



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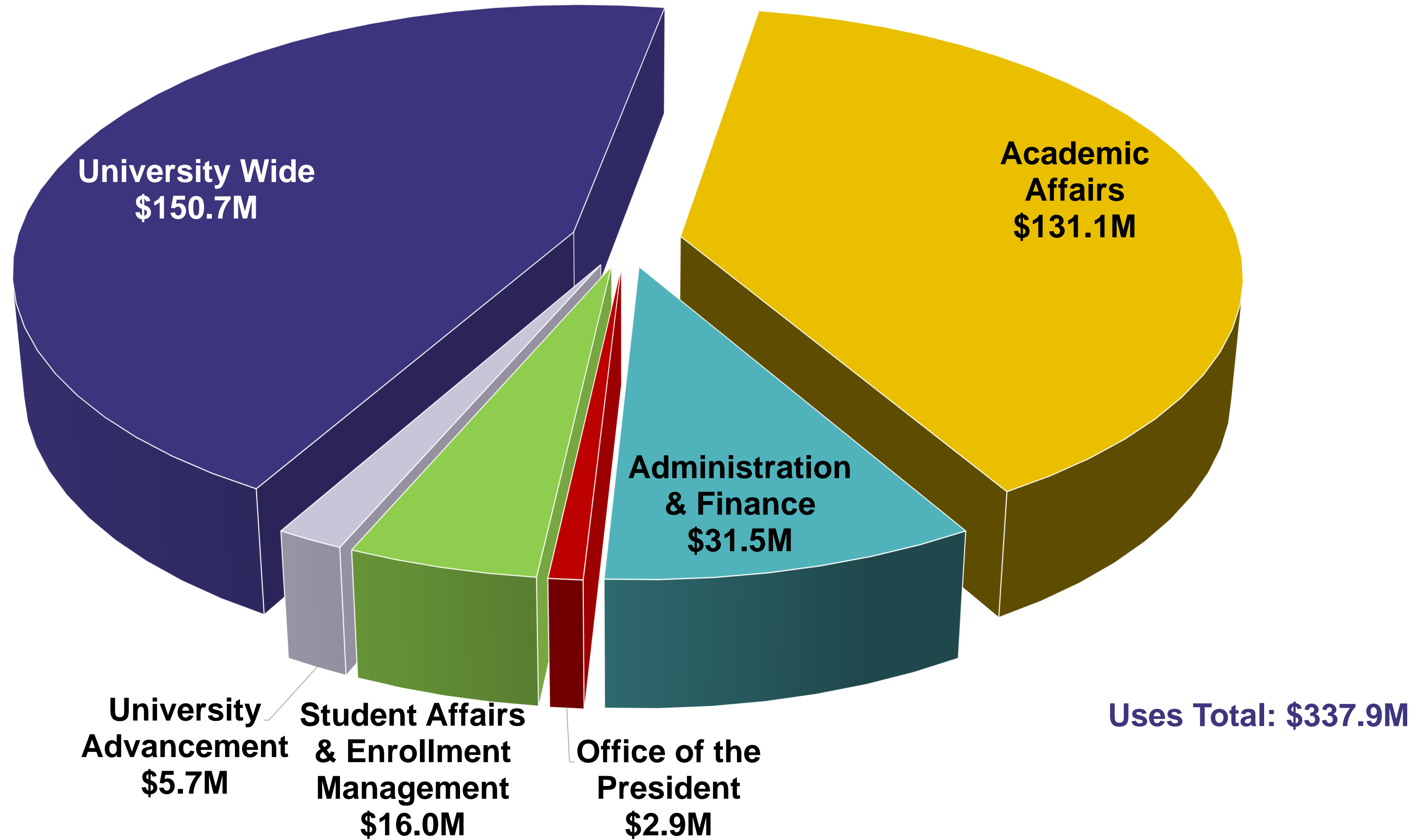
Sources of Revenue



Sources of Revenue Total: \$337.9M

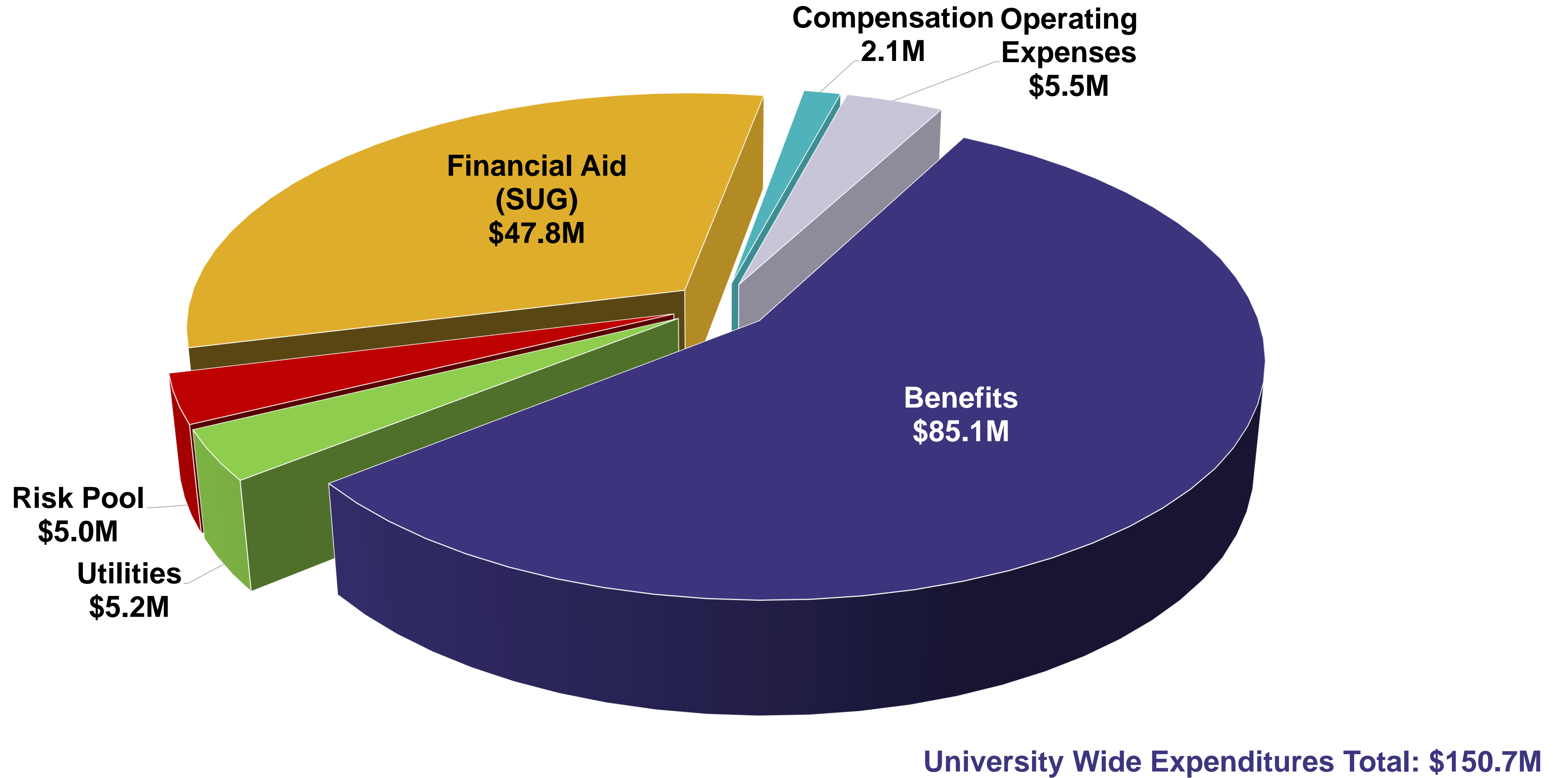
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Uses



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University Wide Expenditures



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State Appropriation Funding FY 2015/16

2015-16 Final Budget Allocations

Revisions to 2014-15 General Fund Allocations

	CSU	SFSU
2014-15 Retirement Adj. Supplement	\$66,263,000	\$4,555,000

New 2015-16 General Fund Allocations

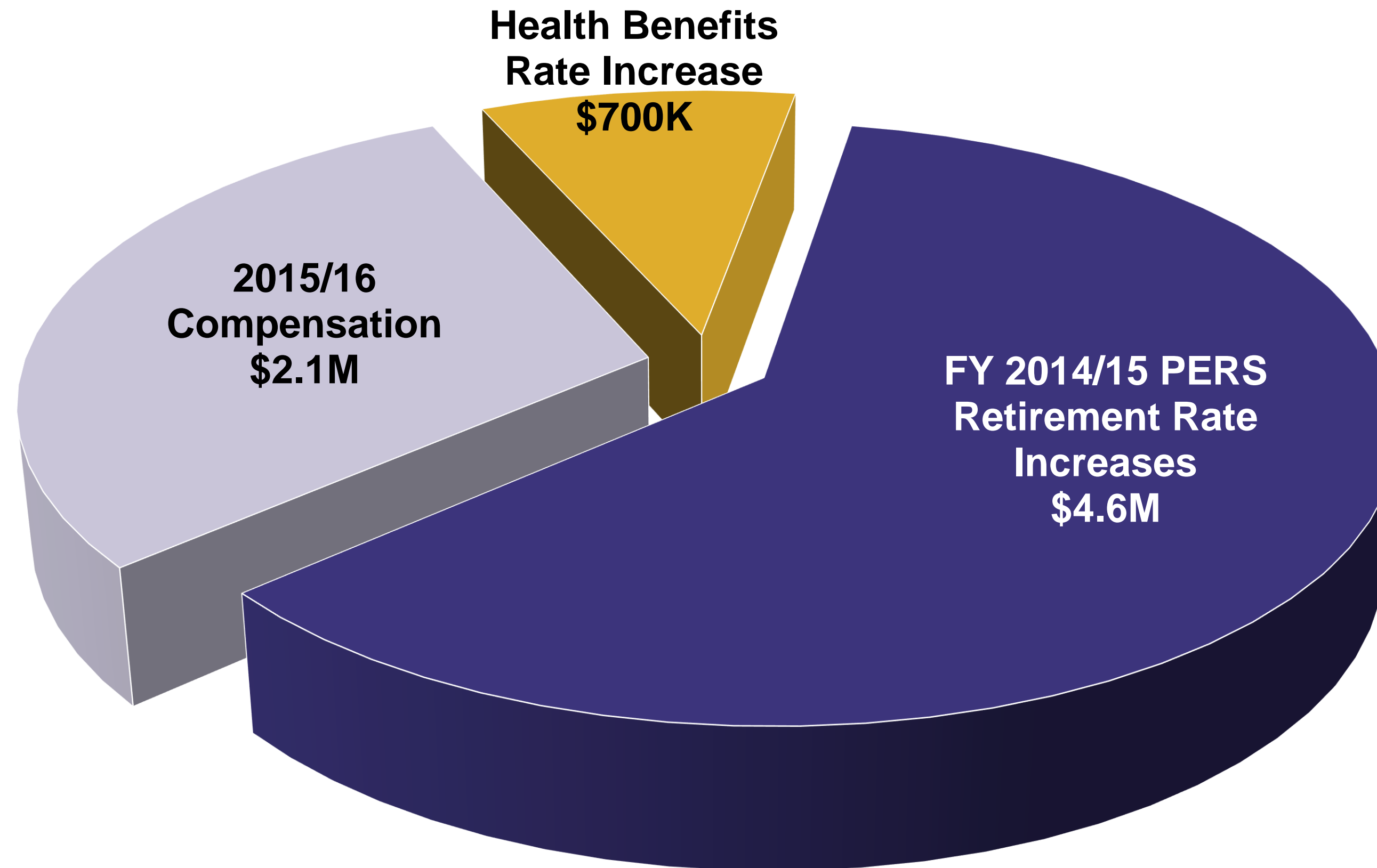
Enrollment FTES	10,400	485
Lease Revenue Bond Debt Service	7,628,000	-
Health	11,040,000	732,000
Operations and Maintenance of New Space	5,037,000	-
Enrollment Funding	58,906,000	2,722,000
Student Success Initiatives	20,000,000	1,002,000
Retirement Costs Above 2013-14 Base	7,000,000	-
Systemwide Initiative and Performance Funding	49,156,000	1,367,000
Compensation Pool	65,528,000	2,166,000
Center of California Studies	500,000	-
Mervyn M. Dymally Institute	250,000	-

TOTAL 2015-16 GF Allocations

\$225,045,000	\$12,544,000
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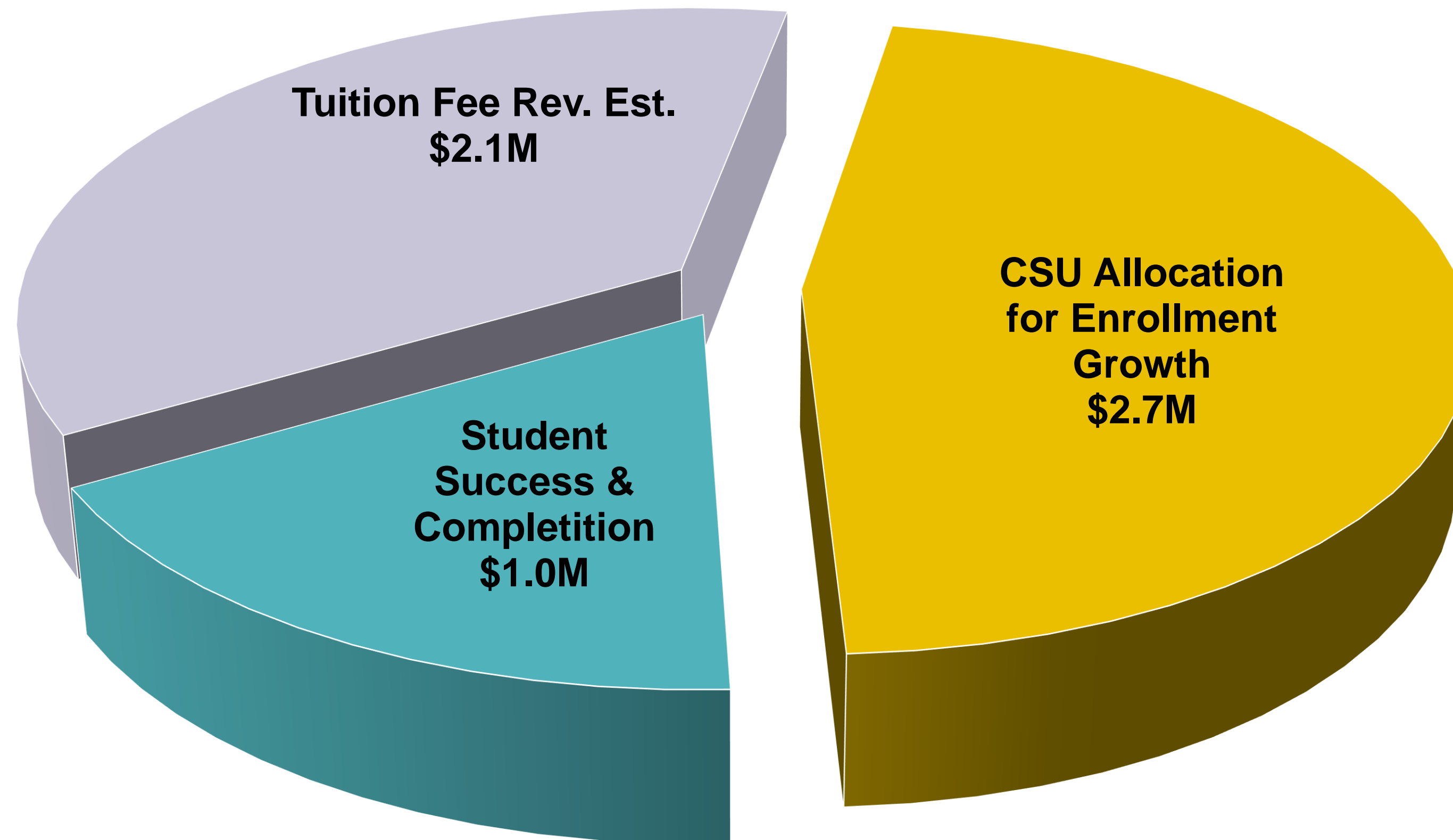
Expenditure Requirement Changes (Pass Through) : \$7.4 Million



Expenditure Requirement Changes Total: \$7.4M

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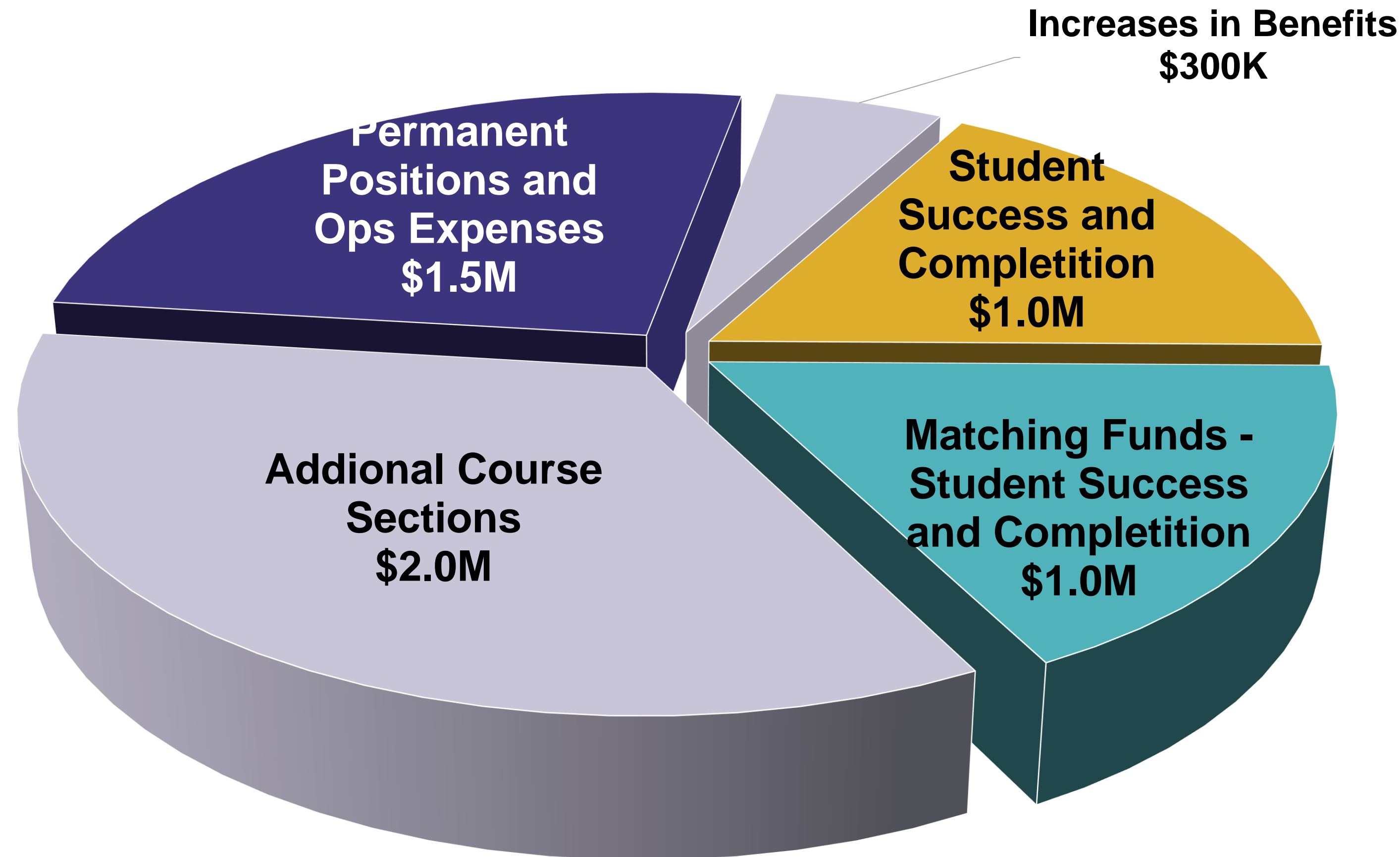
Changes to 2014/15 Sources: Additional Funding: \$5.8 Million



Changes to 2014/15 Internal Budget: \$5.8M

San Francisco State University

Changes to 2014/15: Uses Additional Funding \$5.8 Million



Additional Funding Uses Total: \$5.8M

Student Success and Completion Initiatives Funding

Initiatives	Academic Affairs	SAEM
Tenure-Track Faculty Hiring	\$1,000,000	-
Enhanced Advising	\$240,000	\$80,000
Augment Bottleneck Solutions	\$50,000	-
Student Preparation	\$80,000	\$80,000
High Impact Practices	\$250,000	\$80,000
Data-Driven Decision Making	\$80,000	\$60,000
Total	\$1,700,000	\$300,000

STRUCTURAL DEFICIT



Principles in Dealing with the Structural Deficit

1. Decisions should be guided by the San Francisco State University Strategic Plan and should focus on the core mission of the University
2. Minimizing disruption to academic programming is a priority
3. Student success efforts will be ongoing
4. Opportunities for additional revenue will be explored
5. The process should be guided by both formal and social commitments between the University and its employees
6. Vacant positions should be analyzed in order to determine ongoing personnel costs
7. All sources of revenues should be analyzed, including Trust Funds and Auxiliaries, to determine whether or not it is possible to shift General Fund expenditures

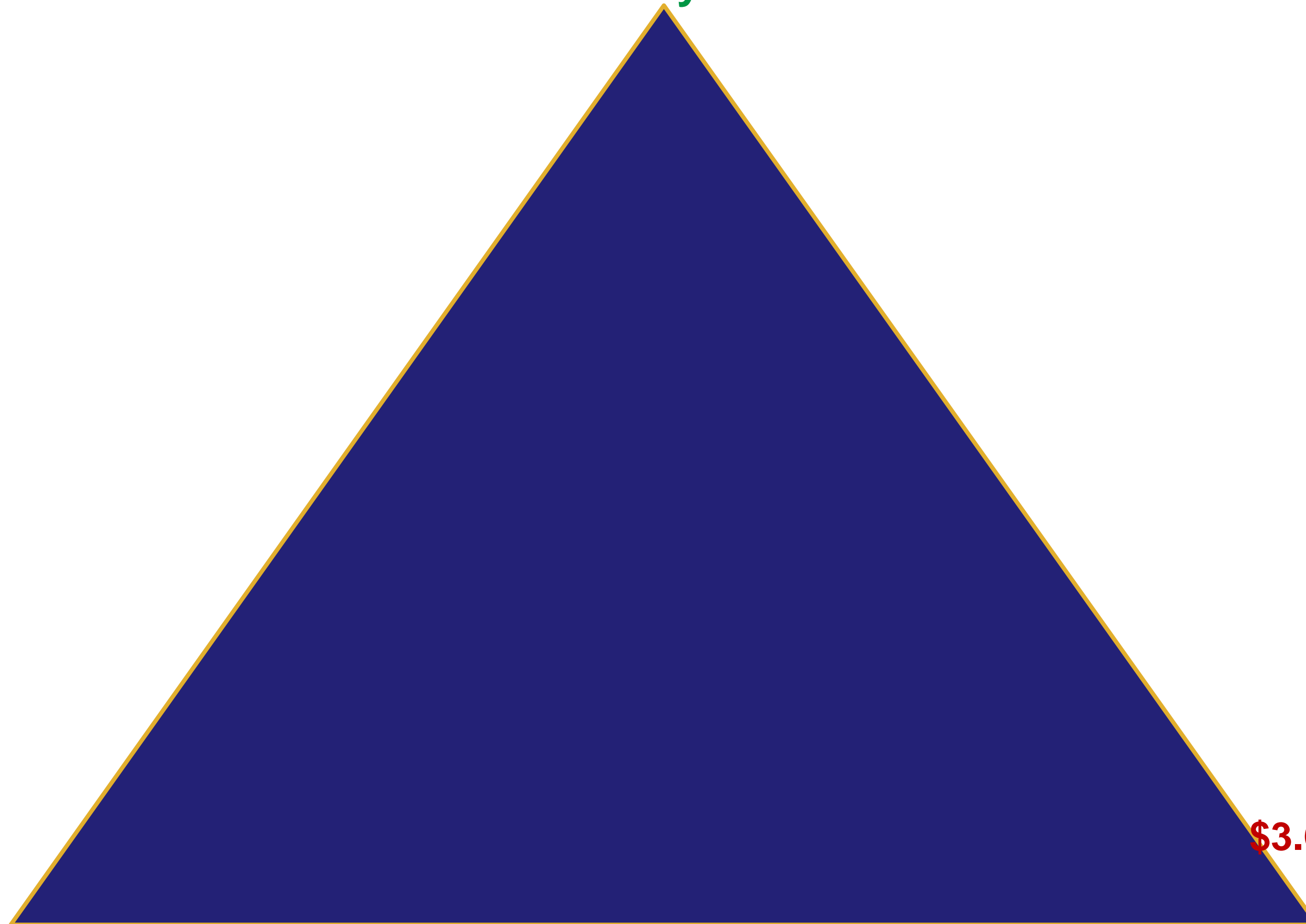
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Three Pronged Approach

**\$2.4 Million: 3% Reduction to
Non-Faculty Salaries**

**\$1.5 Million: Cost
Allocation Plan
Reimbursement**

**\$3.6 Million: One-Time Trust
Fund Allocations**



San Francisco State University

Proposed Reduction Plan by Cabinet FY 2015/16

2015/16 Structural Deficit			\$ -7,500,000
Cost Allocation Reimbursement			\$1,500,000
Remaining Structural Deficit			\$6,000,000
	3% Reduction Administrative Salaries	Trust Fund Adjustments	
Academic Affairs	1,075,000	2,610,000	3,684,000
Administration & Finance	777,000	542,000	1,319,000
Student Affairs & Enrollment Management	406,000	283,000	689,000
University Advancement	151,000	105,000	256,000
Office of the President	31,000	21,000	52,000
TOTAL	\$2,440,000	\$3,560,000	\$6,000,000

STRUCTURAL DEFICIT REDUCTION PROPOSAL

THREE YEAR PLAN



Temporary Appointment of Faculty Process Improvement

What

- Provide timely, reasonable assurances of employment to our temporary faculty

Why

- To become employer of choice for temporary faculty by offering timely assurance of employment
- Improve stewardship of public funds
 - \$900K in related benefit expenses in FY 2014-15
 - Reduce supplemental work and overtime in processing appointments, payroll and associated documents

How

- Revise the timeline of temporary faculty appointment process
- Return UI claims process to the Office of Risk Management to exploit inherent efficiencies in having all insurance claims processed by the same office



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