



# San Francisco State University

## Institutional Resilience

### Final Report



# Projected Financial Gap

SFSU’s UBC recently voted to approve an assumed ~5% unfunded mandate from the governor’s office, decreasing the projected deficit significantly.

	2025-26 <sup>1</sup>
<b>Total Resources</b> (Budgeted + Adjustments)	<b>\$341,899,288</b>
<b>Total Expenditures</b> (Budgeted + Adjustments)	<b>\$377,523,519</b>
<b>Deficit</b>	<b>(\$35,624,231)</b>

The University Budget Committee (UBC) approved a one-time use of \$10M to cover part of this deficit. The remaining \$25.6M must be cut from the overall institutional budget, including the administrative and academic enterprises.

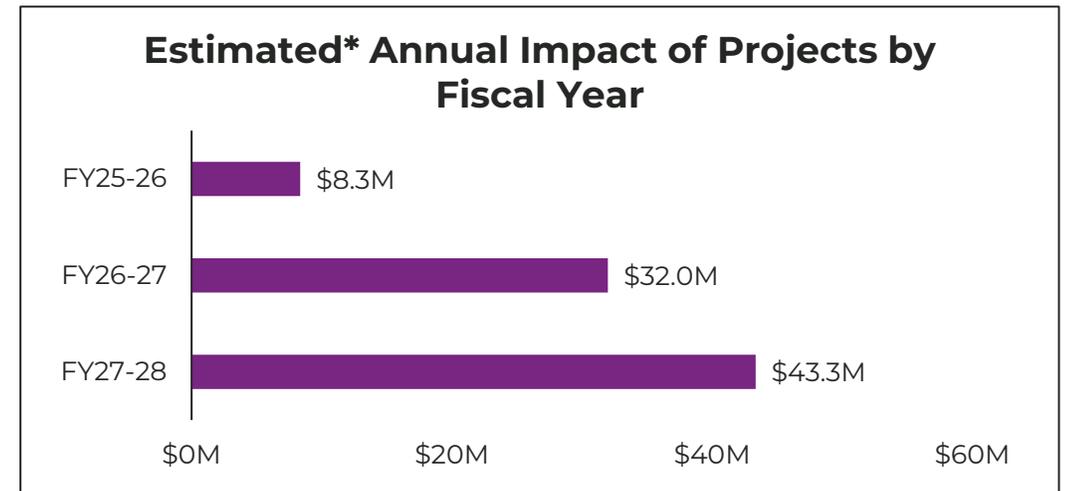
## Deficit Drivers

- Decrease in **tuition revenues** and corresponding reduction in state appropriations
- Increase in **financial penalties** for missed enrollment targets
- **Reinstatement of critical positions** closed due to Voluntary Separation Incentive Program (VSIP)
- Increase in **operating expenses, utilities, and risk pool** costs
- Implementation of proposed **state funding cuts**

<sup>1</sup>SFSU Budget Administration and Office analysis

## Huron-Identified Levers

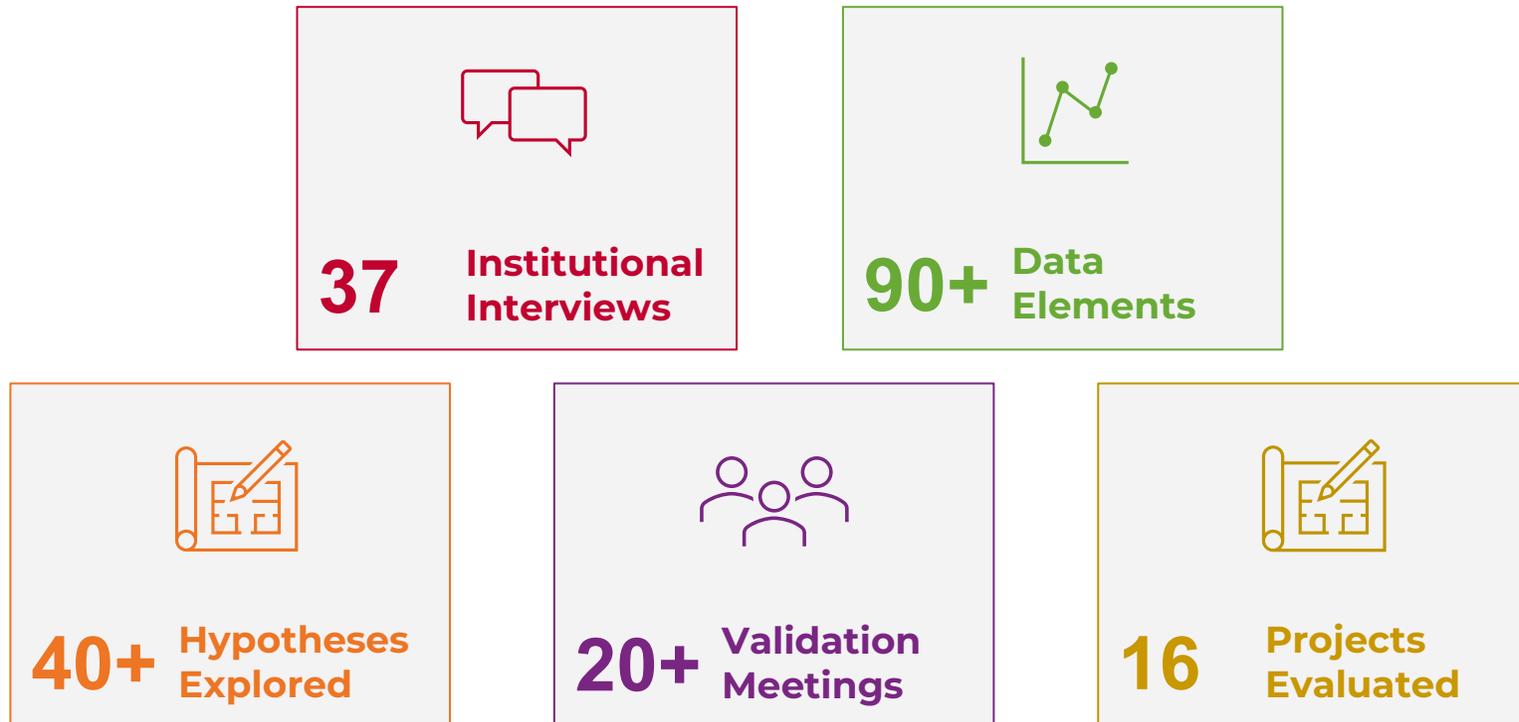
The cost reduction and revenue enhancement initiatives identified through this engagement are annually-recurring strategies that are likely to achieve cumulative effects over time as they ramp up to their full potential.



\*Estimates are calculated at either the low, midpoint, or high end of the financial benefit range based on assumptions around SFSU’s institutional context and position, as well as market conditions and feasibility of the specific projects.

# Huron's Process

Over the course of 5+ months, Huron has leveraged institutional, peer, and public data, stakeholder interviews, and customized models to assess the academic portfolio of SFSU.



The Steering Committee as well as functional and academic leaders at the institution worked alongside Huron to gather and reconcile data and validate findings to arrive at a list of options for recurring financial improvements.

# Recognizing SFSU's Strengths

Huron met dozens of campus leaders and stakeholders to obtain a thorough understanding of both the institution's strengths and opportunities for improvement.

## Mission Alignment

SFSU's **focus on social justice and accessibility** is a celebrated cornerstone of its identity and reputation, with the University's commitment extending to making a meaningful impact on the community.



## Readiness to Act

SFSU leadership are **cognizant of the challenges facing the institution** and have already taken steps to address financial and enrollment challenges in the past (e.g., reducing low-enrolled classes). Undertaking the **Institutional Resilience** project demonstrates additional orientation to action.

## Academic Excellence

SFSU is known for **pioneering academic programming**, such as the country's first College of Ethnic Studies, as well as high-caliber programming that meets **state and local workforce needs** like Nursing, Education, and Social Work.

# Recommended Projects Overview

Huron evaluated the projects listed below, with potential financial impacts totaling up to \$50M, largely dependent on how aggressively SFSU chooses to pursue each/any of them.

Project		Financial Impact Est.		Savings Bucket	Type
1	Academic Portfolio Adjustments	\$4.6M	\$9.0M	Academic Portfolio	Cost Savings
2	Student to Faculty Ratio	\$0.9M	\$4.1M	Academic Efficiency	Cost Savings
3	Instructional Capacity	\$3.4M	\$6.9M	Academic Efficiency	Cost Savings
4	Academic Structure	\$0.5M	\$0.7M	Academic Efficiency	Cost Savings
5	Managerial Capacity	\$1.0M	\$1.8M	Organizational	Cost Savings
6	Supervisory Titles with 0 Direct Reports	\$1.0M	\$1.8M	Organizational	Cost Savings
7	Centralization	\$0.6M	\$1.3M	Organizational	Cost Savings
8	Administrative Staffing Adjustments	\$2.1M	\$4.1M	Organizational	Cost Savings
9	Vacant Positions	\$2.6M	\$5.1M	Organizational	Cost Savings
10	Office Space	\$2.0M	\$4.4M	Space	Revenue
11	Procurement	\$0.7M	\$2.1M	Institutional Spend	Cost Savings
12	Athletics	\$0.7M	\$1.4M	Department Efficiency	Cost Savings
13	Student Retention	\$0.2M	\$3.9M	Retention	Revenue
14	Individual Giving	\$1.7M	\$2.4M	Advancement	Revenue
15	Donor Pipeline	\$0.3M	\$0.8M	Advancement	Revenue
16	Board Giving	\$0.5M	\$1.0M	Advancement	Revenue
<b>Total Range:</b>		<b>\$22.7M</b>	<b>\$50.9M</b>		

*\*Some benefits may not be mutually exclusive depending on the depth of pursuit and/or any interdependencies between projects.*

*†Analysis is based on averages found in programmatic case studies, extrapolated out to 20 theoretical programs*

# Deprioritized Projects

Huron explored but deprioritized some projects surfaced by Steering Committee members for a variety of reasons, though a few may still be linked to some savings.

Function	Hypothesis	Reasoning
<b>Academic</b>	Open U	Huron did not have sufficient data available to investigate this hypothesis, and it would likely contribute only to self- support units as opposed to the general operating fund.
<b>Information Technology</b>	Computer Lab Utilization	SFSU functional leaders are already analyzing this hypothesis and were preparing to present findings to senior leadership.
<b>Information Technology</b>	Application Rationalization	Huron was unable to gather data related to pricing on existing application portfolio, but some of this financial benefit may already be realized through procurement adjustments.
<b>Organizational</b>	Shared Services	SFSU is already pursuing an opportunity related to shared services with other third- party support.
<b>Space Utilization</b>	Academic Space	Huron assessed occupancy of academic space and determined that the data does not suggest there is a viable opportunity for cost savings.
<b>Space Utilization</b>	Underutilized Buildings	At the suggestion of project sponsors, the team deprioritized projects that would not generate recurring benefit.
<b>Space Utilization</b>	Close Downtown Campus	After reviewing the financial transactions for this campus, it was determined that the revenue offsets from leasing the space when unused mitigated costs enough to make this a low- cost asset
<b>Student Success</b>	Industry Partnerships	SFSU is doing well at corporate philanthropy. While partnerships could be a tactic to enhance retention or student outcomes, Huron deprioritized this hypothesis because it is not directly tied to cost savings.
<b>Enrollment</b>	Funnel Analysis	Huron was notified of another engagement focusing on this specific topic, so it was deprioritized to mitigate redundant efforts.

# Managerial Capacity

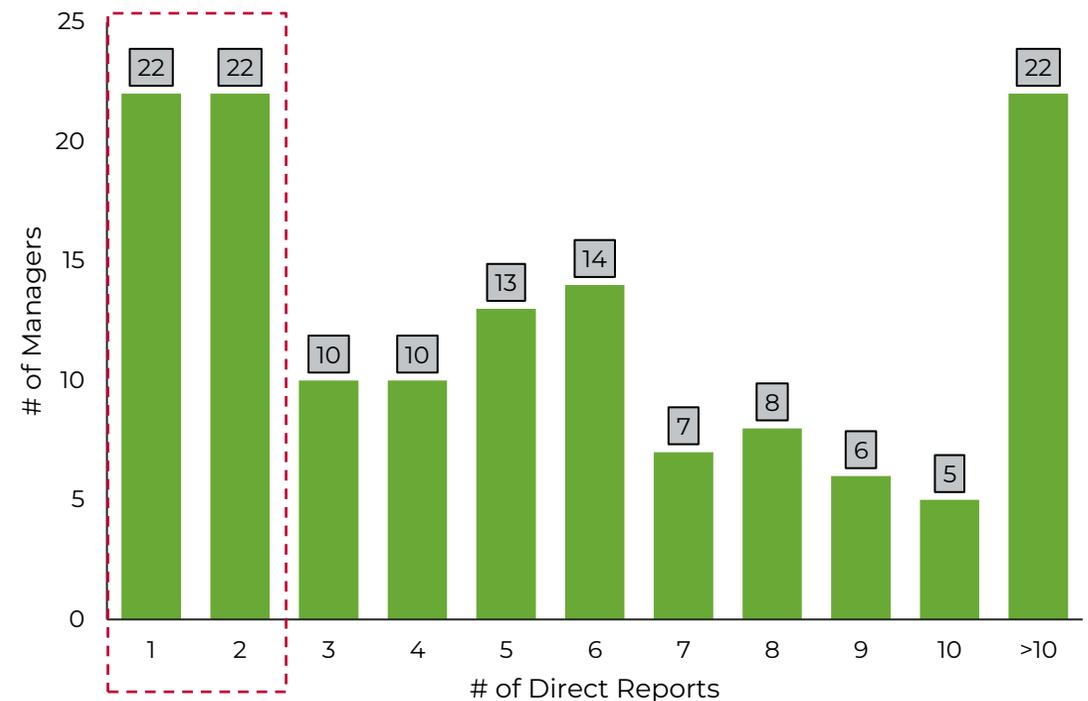
Over 30% of supervisors across all divisions manage two or fewer individuals, indicating an opportunity to address managerial capacity.

## Case for Change

- At SF State, the average **direct reports per supervisor<sup>1</sup> is 7.7**, yet **44 of 139 supervisors (31% of supervisors) supervise 1 or 2** in-scope direct reports<sup>1</sup>, totaling **nearly \$9.0M** in compensation (inclusive of fringe benefits<sup>2</sup>).
- Cost-savings opportunities could mean investigating areas for **reallocation of direct reports or consolidation**.
- Increasing the number of direct reports across supervisors may help achieve the following operational efficiencies:
  - Expands a supervisor's **management experience/abilities**.
  - Provides **management opportunities** to additional employees.
  - Allows supervisors to **focus on planning/setting targets**.
- Reducing **10% of supervisors** with 2 or fewer direct reports (5 supervisors) results in cost savings of **\$1.0M** (including fringe benefits). Expanding this reduction to **20%** (9 supervisors) would lead to a cost savings of **\$1.8M**.

Financial Impact (Low)	Financial Impact (High)
\$1.0M	\$1.8M

## Count of Supervisors by # of Direct Reports



**Source:** SF State Employee Payroll for FY2023, SF State Employee Roster for FY2023

Note: This data does not include vacancies. All full-time employees are included in the project scope. All Part-Time, Temporary, Student and Graduate Assistants, and non-supervising faculty are excluded.

<sup>1</sup>Supervisors are any full-time Staff and Faculty with 1 or more direct reports.

<sup>2</sup>Fringe benefits are assumed to be 50% of annual salary.

# Supervisory Titles without Direct Reports

Supervisory titles across SF State reflect disparate levels of managerial responsibilities, presenting opportunities for cost savings.

Case for Change		Supervisory Titles without Direct Reports		
<ul style="list-style-type: none"> <li>Currently, <b>57 of 179 employees (32%)</b> have supervisory titles<sup>1</sup> without in-scope direct reports, totaling nearly <b>\$9.1M</b> in compensation (inclusive of fringe benefits<sup>2</sup>).</li> <li>In some cases, supervisory titles without direct reports <b>may be necessary</b>, such as overseeing strategic initiatives, operations, etc. In some divisions, Directors may not be expected to oversee direct reports.               <ul style="list-style-type: none"> <li>Evaluating supervisor titles to determine which should assume managerial responsibilities is essential for ensuring <b>clear leadership structures</b>, improving <b>operational efficiency</b>, and optimizing <b>resource allocation</b>.</li> </ul> </li> <li>Reducing <b>10%</b> of supervisor titles with no reports (6 supervisors) results in cost savings of around <b>\$1.0M</b> (including fringe benefits). Expanding this reduction to <b>20%</b> (11 supervisors) would lead to a cost savings of <b>\$1.8M</b>.</li> </ul>		Cabinet	Supervisory Titles without Direct Reports	% Total Supervisor Titles without DR
		University Advancement	19	33%
		Administration & Finance	14	25%
		Student Affairs & Enrollment	13	23%
		Academic Affairs	8	14%
		Office of the President	3	5%
Financial Impact (Low)	Financial Impact (High)			
\$1.0M	\$1.8M			

Source: SF State Employee Payroll for FY2023, SF State Employee Roster for FY2023

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<sup>1</sup>Supervisory titles are position titles that contain any of the following: President, Chief, Director, Manager, Provost, Registrar, Chair, Dean, Lead, Supervising, Head

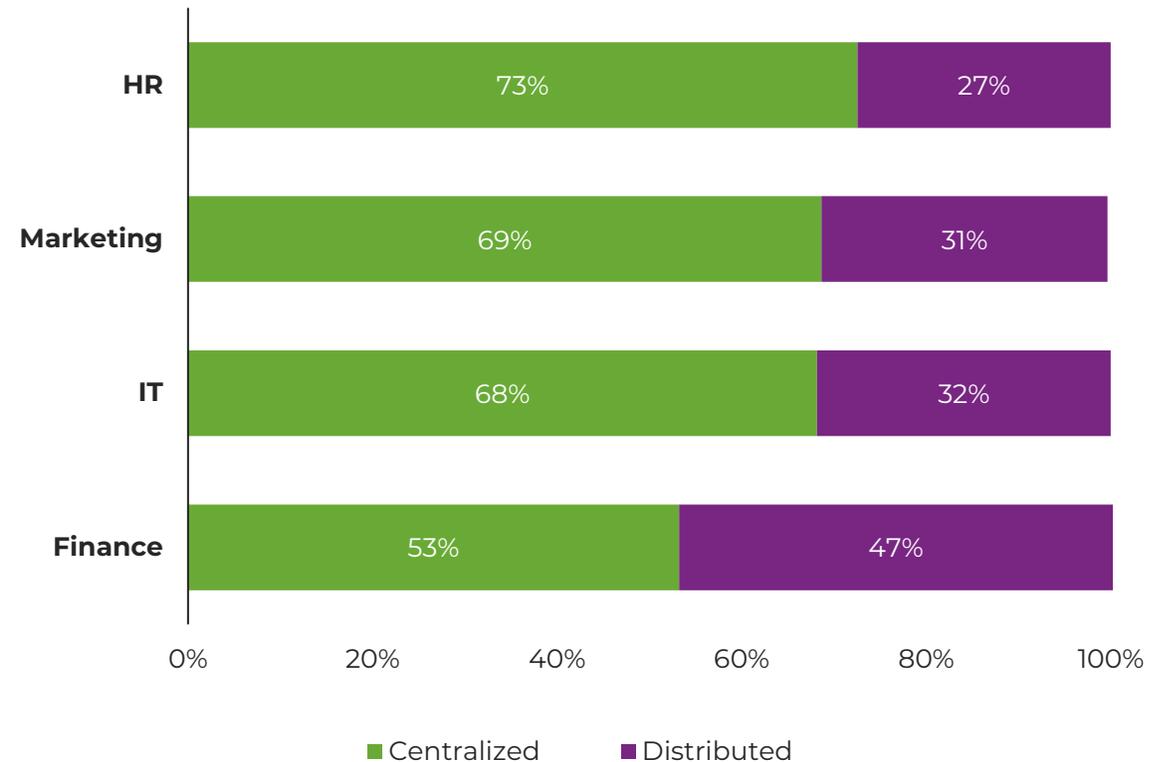
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# Centralization

Leveraging shared services and governance across 4 core administrative functions could generate additional cost savings through increased efficiency and resource optimization.

Case for Change	Centralization of Administrative Functions
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- SFSU has **83 distributed administrative staff**<sup>1</sup> FTEs across 4 key administrative functions, amounting to **\$13.6M in compensation**.
- Sharing resources across units** for those with similar work functions could consolidate work, thus allowing for:
  - Greater standardization
  - Limited duplication
  - Cost savings
  - Clarity of effort
  - Better career pathing
- Based on Huron’s experience, centralizing distributed roles across these administrative functions will enhance efficiency by approximately 5–10%, translating into cost savings ranging from **\$650K** (low estimate), based on a **4.2 FTE reduction**, to **\$1.3M** (high estimate), reflecting an **8.3 FTE reduction**.



Total Financial Impact (Low)	Total Financial Impact (High)
\$650K	\$1.3M

**Source:** SF State Employee Payroll for FY2023, SF State Employee Roster for FY2023  
 Note: This data does not include vacancies. HR Staff reflect Staff only - Faculty, Student and Graduate Assistants are excluded.  
<sup>1</sup>Administrative staff are identified by working title.

# Title Analysis

In addition to centralizing core administrative functions, SFSU may review job titles across 5 functions to ensure consistency, reduce redundancies, and align with industry standards.

Case for Change		Administrative Title Analysis Summary																																							
<ul style="list-style-type: none"> <li>In addition to centralizing core administrative functions, SFSU may consider <b>reviewing job titles</b> to ensure consistency, eliminate redundancies, and align with industry standards.</li> <li>SFSU may align FTE levels across five functions with national and internal benchmarks, targeting a total reduction of <b>154.3 to 157.5 FTEs</b> and generating <b>\$20.4M to \$20.9M</b> in cost savings over three years, depending on centralization efforts. Initial reductions should follow a <b>gradual, scalable approach</b> aligned with organizational capacity and <b>centralization progress</b>.               <ul style="list-style-type: none"> <li>Additionally, SFSU may consider investing in <b>51.7 FTEs (\$4.7M)</b> over the next few years to strengthen <b>three administrative areas</b> that are currently below benchmark levels.</li> </ul> </li> <li>The estimated financial impact ranges from <b>\$2.1M on the low end</b>, reflecting a <b>15.7 FTE reduction</b> (10% of the 157.5 FTE target), to <b>\$4.1M on the high end</b>, reflecting a <b>30.9 FTE reduction</b> (20% of the 154.3 FTE target).</li> </ul>		<div style="text-align: right;"> <span style="display: inline-block; width: 15px; height: 10px; background-color: #fce4d6; border: 1px solid #ccc; margin-right: 5px;"></span> = Financial Impact / Cost Savings           <span style="display: inline-block; width: 15px; height: 10px; background-color: #d4edda; border: 1px solid #ccc; margin-left: 20px; margin-right: 5px;"></span> = Financial Investment         </div> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">Function</th> <th style="width: 25%;">FTE</th> <th style="width: 25%;">Ideal FTE</th> <th style="width: 25%;">FTE Difference</th> </tr> </thead> <tbody> <tr> <td>General Admin.</td> <td>353.8</td> <td>261.4</td> <td>92.4</td> </tr> <tr> <td>IT</td> <td>151.3 - 153.8</td> <td>101.9</td> <td>49.4 - 51.9</td> </tr> <tr> <td>Grounds Crew</td> <td>16.5</td> <td>9.6</td> <td>6.9</td> </tr> <tr> <td>HR</td> <td>28.0 - 28.4</td> <td>23.7</td> <td>4.4 - 4.8</td> </tr> <tr> <td>Marketing</td> <td>17.2-17.5</td> <td>16.0</td> <td>1.2 - 1.5</td> </tr> <tr> <td>Custodial</td> <td>84.1</td> <td>119.5</td> <td>35.4</td> </tr> <tr> <td>Financial Aid</td> <td>18.8</td> <td>28.1</td> <td>9.2</td> </tr> <tr> <td>Admissions</td> <td>23.3</td> <td>30.4</td> <td>7.1</td> </tr> </tbody> </table>				Function	FTE	Ideal FTE	FTE Difference	General Admin.	353.8	261.4	92.4	IT	151.3 - 153.8	101.9	49.4 - 51.9	Grounds Crew	16.5	9.6	6.9	HR	28.0 - 28.4	23.7	4.4 - 4.8	Marketing	17.2-17.5	16.0	1.2 - 1.5	Custodial	84.1	119.5	35.4	Financial Aid	18.8	28.1	9.2	Admissions	23.3	30.4	7.1
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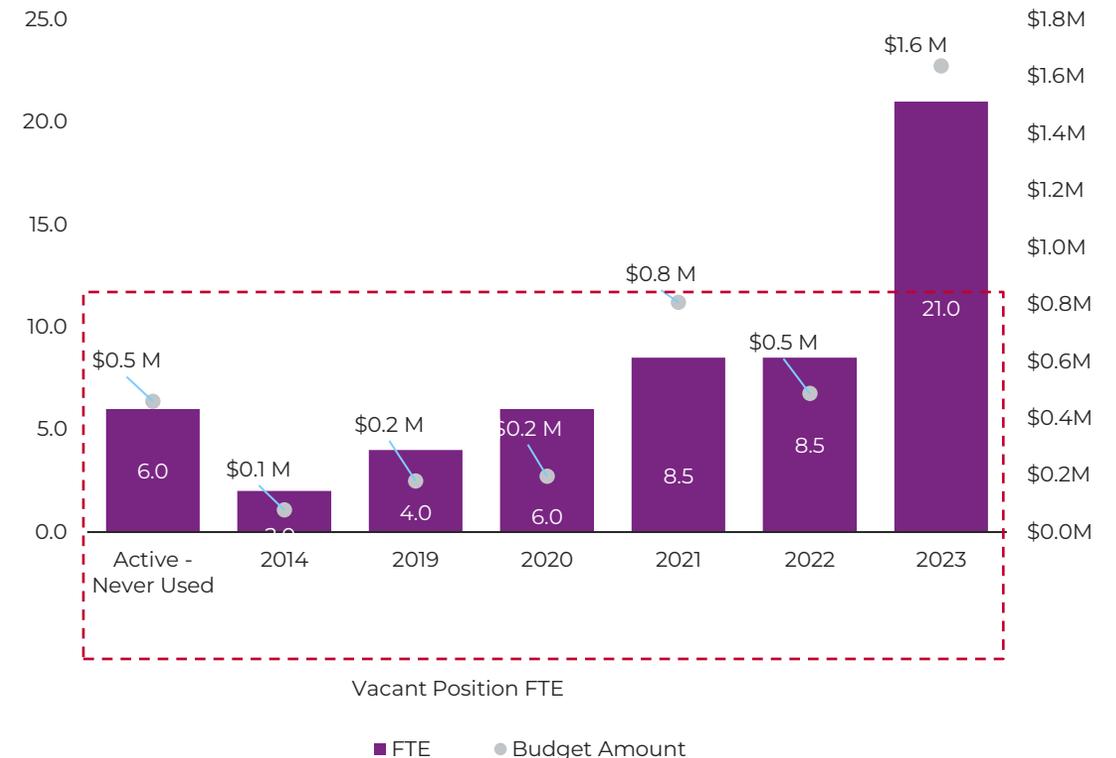
Source: SF State Employee Payroll for FY2023, SF State Employee Roster for FY2023  
 Note: This data does not include vacancies. All Faculty, Student and Graduate Assistants are excluded.

# Vacancies (1 of 2)

Vacant positions translate to higher costs for the organization and difficulty in deploying the expenses towards strategic initiatives.

Case for Change	Total Vacant Position FTE by Year
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- SFSU currently has a total of **181.6 FTE across 185 vacant positions** across 2014 through 2024, with **56 FTE (31% of the total)** either becoming vacant before 2024 or remaining active but never filled.
- Many units have been **reallocating funds from these vacant positions to support other initiatives**, highlighting a possibility to optimize staffing levels, reduce administrative inefficiencies, and **reallocate resources to higher-priority areas**.
- To enhance efficiency, SFSU may consider **closing all vacancies from 2022 or earlier and 50% of those from 2023**, totaling **45.5 FTEs** and generating approximately **\$3.0M in savings**. Since many of these positions have remained unfilled for an extended period, they may no longer be essential to **current operational needs**.
- Even if **only 50% of budgeted positions** are closed, SFSU could still realize up to **\$1.5M in savings**, allowing for better **resource allocation toward key institutional initiatives**.



Total Financial Impact (Low)	Total Financial Impact (High)
\$1.5M	\$3.0M

Source: SF State Vacancy Positions  
 Note: Assumes that vacancies are budgeted.

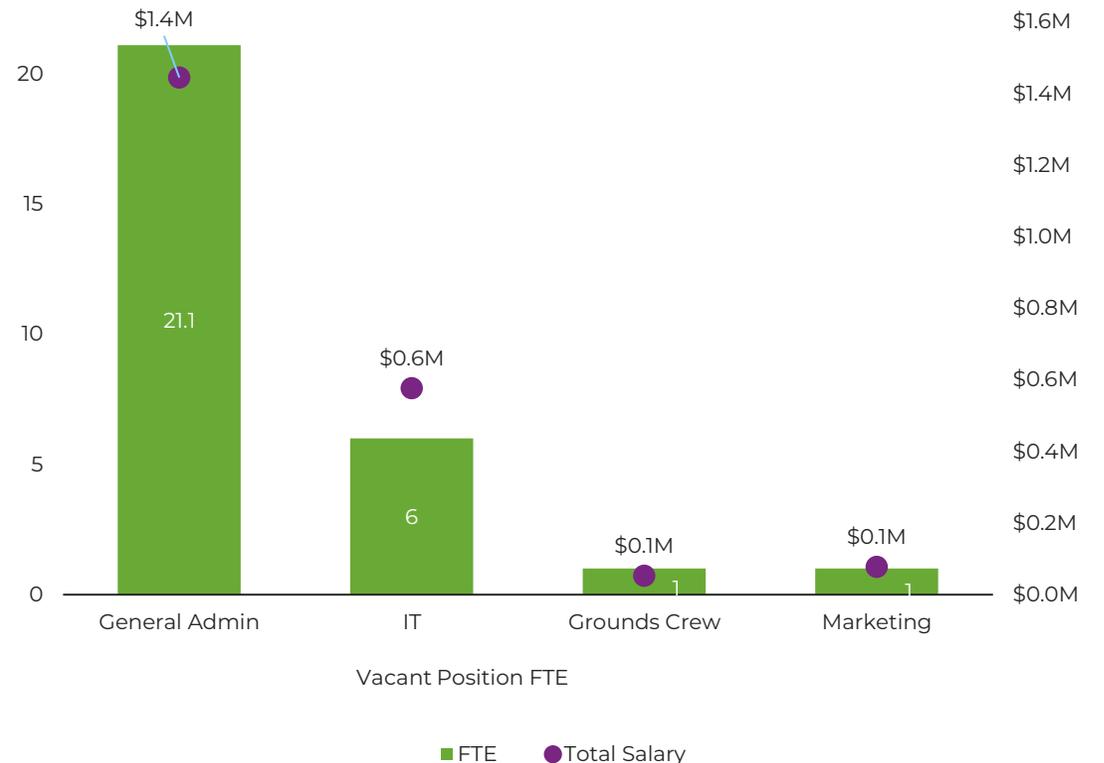
# Vacancies (2 of 2)

SFSU should close vacant 2024 positions tied to four key administrative areas to reduce inefficiencies, optimize costs, and reallocate resources.

## Case for Change

- In 2024, SFSU had **125.6 FTE across 128 vacant positions**, representing \$13.7M in expenses. **29.1 FTE** (23% of the 2024 total) fall within 4 administrative functions that could see a reduction in FTE over the next 3 years. These positions represent **\$2.1M in budgeted expenses** (or 16% of the 2024 total).
- To enhance efficiency, SFSU may consider **closing all vacancies tied to these functions**, resulting in **\$2.1M in savings**. Closing these vacancies would eliminate inefficiencies, reduce overhead costs, and align resources with **higher-priority needs**, making full closure a strategic cost-saving measure.
- Alternatively, a more moderate approach—reducing **50% of these positions**—would still generate approximately **\$1.1M in savings** while maintaining some capacity in these functions. This option **balances cost reductions** with **operational flexibility**, allowing for a more **gradual restructuring of resources**.

## Vacant Position FTE by Administrative Function



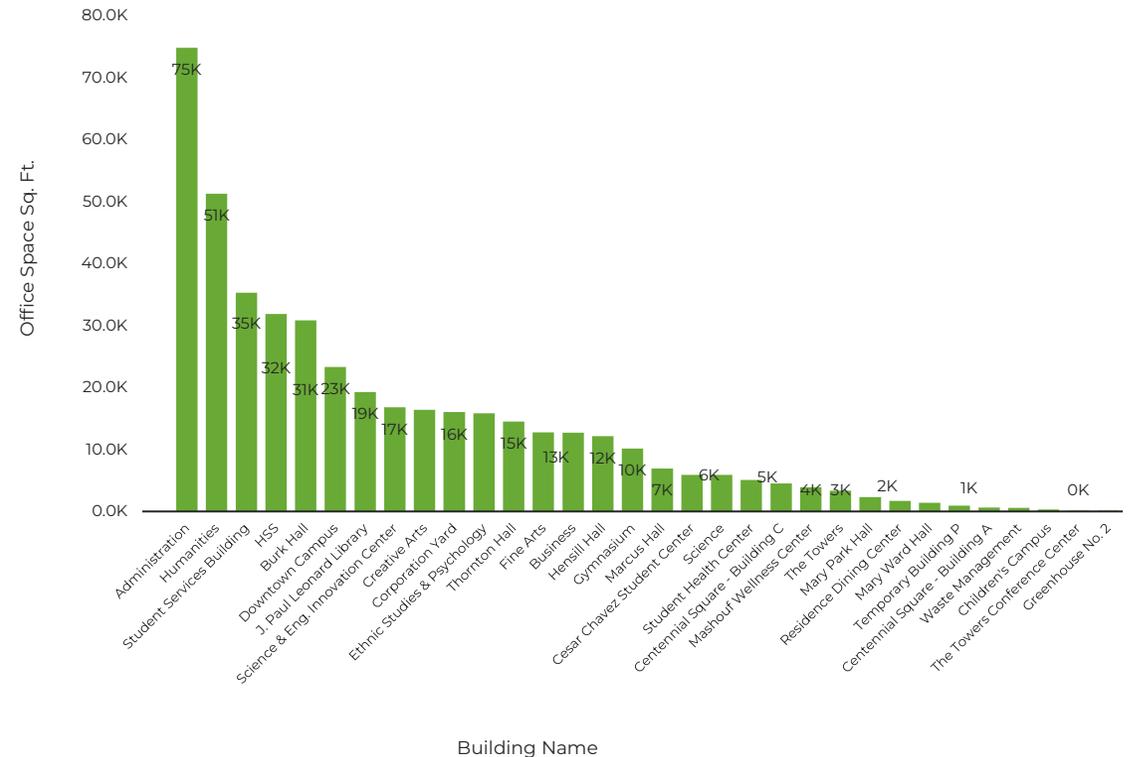
Total Financial Impact (Low)	Total Financial Impact (High)
\$1.1M	\$2.1M

# Space Utilization: Office Space

SFSU can evaluate hybrid work policies and data collection practices to address inefficient use of office space, which can be costly.

Case for Change	Office Space Sq. Ft. by Building
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- SFSU currently has **3.5K office workstations** and **437.6K assignable square feet (ASF)** of office space<sup>1</sup>.
- With 2,175 employee FTEs<sup>2</sup> utilizing office space, **each FTE is currently allocated 201.1 ASF**, which is **15% above** the CSU **benchmark of 175 ASF** per professional staff member. Based on this benchmark, SFSU has an **excess of 56.9K ASF in office space**. This number could increase as SFSU continues to make **adjustments** to its workforce.
  - From a workstation perspective, each FTE is assigned 1.6 workstations. Given the university's hybrid work model, SFSU could aim for a **1:1 workstation-to-employee ratio or lower** to optimize space utilization.
- San Francisco **leasing hit 2.2M SF in Q4 2024, up from 1.7M in Q3**, the highest since 2019. Vacancy rates dipped from 34.5% to 34.3%. With vacancies still high, SFSU must invest in **marketing and competitive pricing** to attract tenants.
- At current office space market rates of **\$36-\$78 per office square foot**, leasing the excess office space could generate anywhere from **\$2.0M to \$4.4M**.



Financial Impact (Low)	Total Financial Impact (High)
\$2.0M	\$4.4M

Source: SFSU Room List, California State Policy 9065 PROJECT DEVELOPMENT STANDARDS FOR OFFICES, Savills Q3 and Q4 2024 Reports, SF.gov, LoopNet.

<sup>1</sup>Includes all Faculty, Administrative, and "Other" office facilities. Excludes student office space. Excludes Tiburon Building office space.

<sup>2</sup>Excludes students, graduate assistants, and staff that would not have office space such as Custodial, Grounds Crew, Police, etc.

# Strategic Sourcing

Preliminary analysis of procurement spend reveals opportunities for savings through improved spend management and vendor consolidation.

## Case for Change

- Huron analyzed SFSU’s **FY2020 – FY2024 procurement, totaling \$926.1M**, to differentiate categorized and not categorized spend
- Spend was categorized into addressable, non-addressable, and not categorized spend
  - **\$377.7M** (41% of total spend) **in addressable spend** was segmented into **10 Level I** and **44 Level II categories**, providing insights into SFSU’s spending profile
  - **\$539.6M** (58% of total spend) **in non-addressable spend** fell into **3 Level I** and **7 Level II categories**
  - **\$8.8M** (1% of total spend) remained **uncategorized**
- Based on extensive experience with Higher Education clients, Huron estimates potential savings for SFSU **between \$650K and \$2.1M** (0.2% to 0.8% of FY2024 spend) through strategic sourcing initiatives

Financial Impact (Low)	Financial Impact (High)
\$650K	\$2.1M

## FY2020 - 2024 Addressable Spend – 41%

- Vendor spend that can be influenced by strategic sourcing efforts to achieve better pricing, financial incentives, improved supplier relationships, process efficiencies, service enhancement, demand and consumption management and optimization, etc.
- Example: Maintenance and Repair Products, Software

## FY2020 - 2024 Non-Addressable Spend – 58%

- Spend that is not addressable by strategic sourcing efforts
- Examples: Construction, Non-profit Organizations, Higher Education Institutions, Federal/State/Local Governments, etc.

## FY2020 - 2024 Not Categorized Spend - 1%

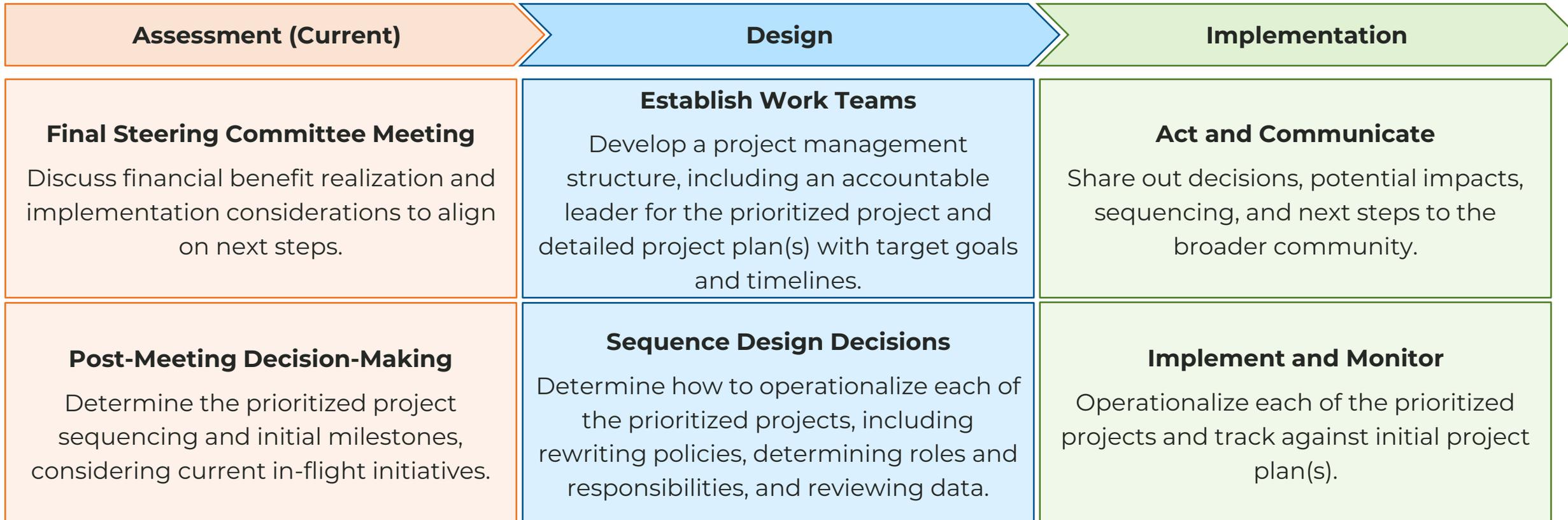
- Vendors with less than \$10K in FY2020 – 2024 spend are not categorized
- There are approximately 4.6K uncategorized suppliers

Source: SFSU Invoice and P-Card Data, FY2020-FY2024

<sup>1</sup>Huron’s approach to addressable spend leverages high-level vendor classification to enable cost savings through vendor consolidation, focus on strategic partners, and peer benchmarking for industry comparisons and best practices.

# Sequence of Activities

Dependent on SFSU's decisions, different projects may transition directly into design work while others may be more immediately acted upon.



# Financial Project Outlook

Based on the project complexity and SFSU's progress to date, the below matrix highlights elements of the assumed current state for project implementation readiness.

Revenue Generating and Cost Saving Projects			
	High-End of Benefit Range, Lower Estimated Effort / Resource Intensity	High-End of Benefit Range, Medium Estimated Effort / Resource Intensity	High-End of Benefit Range, High Estimated Effort / Resource Intensity
Estimated Financial Benefit Range	Athletics	Academic Structure Instructional Capacity	
	Centralization Board Giving Vacant Positions	Student to Faculty Ratio Donor Pipeline	Academic Portfolio Adjustments Administrative Staffing Adjustments Individual Giving Retention
	Procurement	Supervisory Titles with 0 Direct Reports Office Space	Managerial Capacity
	Low-End of Benefit Range, Lower Estimated Effort / Resource Intensity	Low-End of Benefit Range, Medium Estimated Effort / Resource Intensity	Low-End of Benefit Range, High Estimated Effort / Resource Intensity
	Estimated Effort / Resource Intensity		

Estimated Stage:

Assess

Design

Implement

# Implementation Roadmap

The following represents an illustrative timeline outlining actions and potential decision points as SFSU begins the next phase of work in achieving institutional resilience.

Engagement Tasks / Month #	April 2025	May 2025	June 2025	July 2025	Aug. 2025	Sept. 2025	Oct. 2025+	Proposed Owner
<b>Institutional Review Committee (IRC)</b>								
IRC assesses academic portfolio and makes recommendation on programs		★1						Academic Affairs
<b>Institutional Resilience</b>								
Huron concludes Institutional Resilience engagement								
SFSU finalizes cost savings targets for each fiscal year		★2						Finance & Administration
SFSU leadership prioritizes and scopes projects for implementation		★3						Executive Team
<b>Implementation</b>								
SFSU determines estimated effort for each project			★4					By Function
SFSU aligns estimated effort with internal team's capacity			★5					TBD
SFSU establishes appropriate project management structure								TBD
SFSU assigns project owners for implementation								TBD
SFSU initiates assessment, design, or implementation of projects					★6			By Function

## Key Implementation Decisions

- ★1 Does the IRC proposal meet savings targets within the desired time frame?
- ★2 How much of the **deficit** will SFSU aim to address with each fiscal year?
- ★3 What projects will SFSU **pursue** and in what order? How will outputs from other campus efforts **integrate** with Huron's?
- ★4 Does SFSU have the **execution capabilities** to be successful? If not, what expertise is needed?
- ★5 Do assigned team members have **capacity** to support? If not, how will gaps be addressed?
- ★6 Can prioritized projects begin **implementation**? If not, does additional assessment, design, or vetting need to occur?