



**MEMORANDUM**

November 7, 2017

**TO:** Les Wong, University President  
Jennifer Summit, Interim Provost and VP of Academic Affairs  
Academic Affairs Budget Advisory Council  
Ann Sherman, Interim VP of Administration & Finance  
Elena Stoian, Executive Director for Budget Administration and Operations  
Jeff Wilson, AVP for Fiscal Affairs  
**University Budget Committee**  
Alan Jung, Interim AVP Academic Resources  
Luoluo Hong, VP of Student Affairs & Enrollment Management,  
Jackie Foley, President of Associated Students Inc.  
Charlotte Tullos, Interim Dean of Students

**FROM:** Nancy Counts Gerber  
Academic Senate

**RE:** Academic Senate Resolution RF17-363

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**SOURCE COMMITTEE: Strategic Issues Committee (SIC)**

**SENATE ACTION:**

At its meeting on Tuesday, October 31, 2017, the Academic Senate approved RF17-363 resolution on **Implementing Budget Transparency**. This resolution is the most recent action in the University's evolution toward greater transparency and shared governance in its budget. A synopsis of the events leading to this resolution provides useful context:

- April 2016 – Academic Senate passes RS16-342 In Support of Budget Transparency, which, among other things, calls on SIC to “address the important need for fiscal transparency and governmental relations.”
  - May 2016 – SF State and the Third World Liberation Front 2016 Hunger Strikers agree on several issues regarding academic resources, including the commitment to “work through the Strategic Initiatives [sic] Committee of the Academic Senate to work towards ongoing budget transparency...”
  - AY 2016-2017 – SIC investigates campus stakeholders' needs regarding budget transparency
  - May 2017 – SIC submits its Budget Transparency Report to the Academic Senate. It broadly establishes the conditions that would constitute budget transparency at SF State: understanding of historical context, understanding of nested budgetary processes, clear and regular communications, and access to data. The report lists recommendations to advance each of these conditions. (The report can be accessed here: <http://senate.sfsu.edu/document/budget-transparency-report-1617>)
  - October 2017 – Academic Senate adopts RF17-363 on Implementing Budget Transparency
- The resolution summarizes the recommendations made in SIC's Budget Transparency Report that was submitted to the Academic Senate in May 2017, and it expresses the Academic Senate's support for all those recommendations. SIC developed the resolution with full consultation of key stakeholders including representatives from the Division of Administration & Finance and the Division of Academic Affairs.

## Implementing Budget Transparency

RF17-363

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### RATIONALE:

To strengthen shared governance regarding campus resources, financial literacy must be enhanced, budgetary processes and data must be made more transparent, and existing access points must be highlighted.

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WHEREAS, the Academic Senate strongly advocates in RS16-342 for communication mechanisms that a) provide stakeholders with access to budgetary information, b) enable stakeholders to raise questions and concerns about the budget and c) encourages stakeholders and decision-makers to engage in a transparent decision-making process with respect to budgetary decisions; and

WHEREAS, the foundation for financial transparency rests on the ability of the university to educate, communicate, and make transparent with sufficient historical and analytical context to allow meaningful interpretation to all stakeholders<sup>1</sup> of information about financial resources, budget processes and timelines; and

WHEREAS, college budgets have not been directly tied to student success, which prevents strategic planning for new hires and program activities; and

WHEREAS, SFSU has historically grappled with decreasing financial allocations from the CSU, which have increased the interest of campus stakeholders in greater transparency to better assess the effectiveness, appropriateness, and equitability of allocations; and

WHEREAS, the campus' budget transparency is enhanced when stakeholders understand the context, timing, and relationships between four interdependent budgetary processes<sup>2</sup>; and

WHEREAS, our historical financial management system was difficult to comprehend and not publicly accessible prior to the 2016-2017 Operating Budget Plan (a.k.a. the Budget Book), published and distributed by the office of the Vice President of Administration & Finance;

be it therefore

RESOLVED, that the Academic Senate affirms the importance of financial transparency for fiscal decision makers across all divisions; and be it further

RESOLVED, that the Division of Administration & Finance provide appropriate training for those fiscal decision makers on an annual and as-needed basis; and be it further

RESOLVED, that Administration & Finance and Academic Resources develop, maintain, and publish online a summary budget timeline linked to current data<sup>3</sup> on division- and college-level budgets with a detailed narrative describing each level's budgetary processes, the relationships between them<sup>4</sup>, and a historical narrative describing how and why major budgetary decisions have been made; and be it further

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<sup>1</sup> including faculty, staff, students, families, and administrators

<sup>2</sup> the California state budget, the CSU budget, the SFSU budget, and the SFSU divisional and college budgets

<sup>3</sup> This should include with the annual budget as a starting point, but might move toward actual expenditures.

<sup>4</sup> A potential outline of that narrative is provided in the Budget Transparency Report as a starting point for its development.

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RESOLVED, that Administration & Finance and Academic Resources should continuously seek opportunities to enhance resource planning, budgetary accessibility, clarity, detail, context and communication; and be it further

RESOLVED, that a budget report functionally equivalent to the 2016-17 Budget Book be annually published online, and should be accompanied by an accessible glossary of terms<sup>5</sup>; and be it further

RESOLVED, that the budget report provide a clear and complete picture of the sources of revenue<sup>6</sup> and uses of funds<sup>7</sup>; and be it further

RESOLVED, that budget information should be presented in a manner that provides reasonable context and relevant analysis for understanding the information and its implications<sup>8</sup>; and be it further

RESOLVED, that a widely accessible budget reporting mechanism, such as the CSU Data Warehouse Financial Reporting system, should be considered a fundamental baseline in SFSU's commitment to budget transparency, with access and training distributed among a wide range of campus stakeholders at all levels of responsibility; and be it further

RESOLVED, that the Division of Academic Affairs and its Budget Advisory Committee continue to investigate alternative budget models allowing for greater transparency of the funding allocations among Colleges and the values underlying those allocations; and be it further

RESOLVED, that the division of Administration & Finance develop an implementation timeline for a shared financial management system that promotes budget transparency across all divisions; and be it further

RESOLVED, the Academic Senate reaffirms the existing University organizational structure and chain of command as the primary mechanism for addressing staff, faculty, and administrator questions and concerns about the budget, while the University Budget Committee, Academic Senate Strategic Issues Committee, and Academic Affairs Budget Advisory Council remain as additional venues for input; and be it further

RESOLVED, that the Vice President of Student Affairs & Enrollment Management, or designee, serve as the primary resource for directing budgetary questions or concerns from students and their families; and be it further

RESOLVED, that this document be distributed at least to the University President, Provost and Vice President of Academic Affairs, the Academic Affairs Budget Advisory Council, Vice President of

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<sup>5</sup> For example, a definition of the term FTES should provide more information than just "Full Time Equivalent Student," such as a brief explanation of how the figure is calculated and its relevance for budgetary decision-making.

<sup>6</sup> For example, tuition, general fund, supplementary revenue, other income, etc.

<sup>7</sup> For example, instruction, administration, grants, scholarships, etc.

<sup>8</sup> For example, comparable budget figures should accompany budget entries, where appropriate, for multiple years, with narratives that explain key factors or rationales that influenced budget decisions and resource allocations.

**Implementing Budget Transparency**

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Administration & Finance, Executive Director for Budget Administration and Operations, Associate Vice President for Fiscal Affairs, University Budget Committee, Academic Resources, Vice President of Student Affairs & Enrollment Management, Associated Students Inc., and the Dean of Students.