

# University Budget Committee



SAN FRANCISCO  
STATE UNIVERSITY

Thursday, July 23, 2020

# Welcome from co-chairs

## **Jeff Wilson**

Interim Vice President & CFO  
Administration & Finance

## **Jennifer Summit**

Provost and Vice President  
Academic Affairs

# Today's Agenda:

1. **Welcome from the Co-Chairs**
2. **Approval of minutes from June 25, 2020**
3. **Opening Remarks from President Mahoney**
4. **2020 – 2021 Budget Update**
5. **Research Service Organizations**
6. **UBC Workgroup Update:** Revise of UBC Charge
7. **Open Forum** (ten minutes; three-minute limit per speaker)

Adjournment. Next (extra) meeting Thursday, August 6<sup>th</sup>, 3:00 – 5:00 PM

# Approval of June 25<sup>th</sup> Meeting Minutes

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**Jeff Wilson**

Interim Vice President & CFO  
Administration & Finance

# Opening Remarks

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**President Lynn Mahoney**

# 2020-2021 Budget Update

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**Jeff Wilson**

Interim Vice President & CFO  
Administration & Finance





# General Operating Fund Budget

July 23, 2020

San Francisco State University

# University Budget Overview - Agenda

## Agenda

1. Review of budget planning assumptions
2. CSU budget
3. SF State working budget
4. Addressing multi-year downward budget adjustments
5. Next steps
6. Looking ahead



# University Budget Overview – Planning Assumptions

## 1. Planning Assumptions (pre-pandemic)

1. Fundamental assumptions
2. Resources
3. Expenditures

# University Budget Overview – Planning Assumptions

## Resources

- State appropriation (allocation)
- Revenue from tuition and fees (enrollment trends)
- Other revenues (university-wide)
- Other revenues (unit-attributable)

# University Budget Overview – Planning Assumptions

## Expenditures

- Salaries, wages, and benefits
- Operating expenses
- University-wide expenses

# University Budget Overview – CSU Budget

## 2. CSU Budget

# 2020 – 2021 Budget Update – CSU Budget

2020 – 2021 Budget Summary		In thousands
2019-20 Final Budget, General Fund (Coded Memo B 2019-02)		\$3,982,552
2019-20 State-Funded Retirement Adjustment		39,297
<b>2019-20 Revised General Fund Budget</b>		<b>4,021,849</b>
2020-21 General Fund Decrease		(299,043)
<b>2020-21 Total General Fund Budget (State appropriation)</b>		<b>3,722,806</b>
2019-20 Final Budget Gross Tuition & Fees (Coded Memo B 2019-02)		\$3,164,262
2020-21 Adjustment from Change in Enrollment Patterns		(24,165)
<b>2020-21 Gross Tuition &amp; Fees</b>		<b>\$3,140,097</b>
<b>2020-21 Total Operating Budget</b>		<b>\$6,862,903</b>

# 2020 – 2021 Budget Update – CSU Budget

In thousands

Source	2019 - 2020	2020 - 2021	% Change
State appropriation	\$4,021,849	\$3,722,806	-7.4%
Tuition and fees	3,164,262	3,140,097	-0.7%
<b>Total</b>	<b>\$7,186,111</b>	<b>\$6,862,903</b>	<b>-4.5%</b>

**Note** - Numbers are aggregated at the system level.

# University Budget Overview – SF State Budget

## 2. SF State Budget



# University Budget Overview – SF State

## Post-March 2020 Planning Assumptions

- Economic and enrollment impacts of pandemic
- Chancellor issues “hiring chill” directive
- Campus forecasts a 10% reduction in resources
- **President and CFO request cabinet divisions to plan for a 10% downward adjustment in the campus’ general operating fund budget**
- July 2020 - 10% reduction aligns with enacted state budget and current enrollment data

# University Budget Overview – SF State

## **President and CFO request cabinet divisions to plan for a 10% downward adjustment in the campus' general operating fund budget**

- Cabinet agrees that an across-the-board 10% reduction is not the right approach (i.e. it's better to use a scalpel instead of a machete)
- Vice Presidents are advised to leave non-critical positions vacant.
- Vice Presidents are advised to reduce expenses, generally, and directed to reduce certain operating expenses in consideration of the pandemic and a mainly-remote fall (e.g. travel, events, hospitality).
- Administration & Finance addresses university-wide expenses (e.g. in collaboration with Sustainability and Energy, how to reduce utilities costs consideration a mainly-remote fall with some building being closed)
- Decisions are decentralized based on conditions affecting each division's operations.

# University Budget Overview – SF State – Current Status

	19-20 Budget	19-20 Actual	20-21 Working (*) Budget	Budget to Budget % Change	FY 20 Budget to FY 19 Actual % Change
<b>Total Revenues</b>	<b>\$401.3</b>	<b>\$403.0</b>	<b>\$363.8</b>	<b>-9.3%</b>	<b>-9.7%</b>
Salaries and wages	216.2	211.1	203.5	-5.9%	-3.6%
Benefits	107.2	105.4	103.0	-3.9%	-2.3%
Operating Expenses	20.3	19.9	18.1	-10.8%	-9.0%
University wide Expenses	57.6	61.7	57.1	-0.9%	-7.5%
<b>Total Expenses</b>	<b>401.3</b>	<b>398.1</b>	<b>381.7</b>	<b>-4.9%</b>	<b>-4.1%</b>
<b>Revenues less expenses</b>	<b>\$0.0</b>	<b>\$4.9</b>	<b>(\$17.9)</b>		

Dollars in millions

Note: (\*) working scenario as July 8th

# University Budget Overview

## 4. Addressing multi-year downward budget adjustments

# University Budget Overview

## Addressing multi-year downward budget adjustments

- For current year, 2020-2021, the campus has an \$18 million funding gap based on current adjustments from cabinet divisions.
- Some current adjustments are not sustainable for a return to full, face-to-face instruction and operations
- Downward adjustments to the state appropriation are almost certain
- Enrollments will continue to be a challenge.

# University Budget Overview

## Use of one-time fund with reserves

### Consolidated Campus-wide Reserves

Category	June 30, 2019	June 30,2020*
Short-term Obligations	\$60,307,189	\$56,594,167
Capital	21,911,976	6,802,775
Operations	52,149,643	18,231,827
Financial Aid	0	398,121
<b>Total</b>	<b>\$134,368,806</b>	<b>\$82,026,890</b>

\*Unaudited

# University Budget Overview

## Consolidated Campus-wide Reserves

Category	June 30, 2019	June 30, 2020*
General Operating Fund	\$76,577,107	\$ 46,746,254
Extended Education Operations	269,414	2,185,919
Student Health Services	179,936	234,865
Instructionally Related Activities	3,603,871	4,060,883
Parking	2,070,121	274,208
Lottery Funds	1,218,272	1,554,240
Housing	31,109,667	15,793,783
Campus Union	19,340,417	11,176,737
<b>Total</b>	<b>\$134,368,805</b>	<b>\$82,026,890</b>

\*Unaudited



# University Budget Overview

## Use of one-time funds with reserves

### General Operating Fund Campus-wide Reserves (CSU Fund 485)

Category	June 30, 2019	June 30, 2020*
Short-term Obligations	\$35,136,462	\$31,398,329
Capital	2,773,900	540,303
Operations	38,666,745	14,409,501
Financial Aid	0	398,121
<b>Total</b>	<b>\$76,577,107</b>	<b>\$46,746,254</b>

\*Unaudited

# University Budget Overview

## How reserves change from year to year

- Revenues, allocations, and relieved obligations from the prior year **increase** reserves.
- Expenses against revenues and allocations and new commitments for the next year **decrease** reserves.
- Reserves are **recategorized**.

# University Budget Overview

## Changes in reserves from 2018-2019 to 2019-2020

Category	June 30, 2019	June 30, 2020*	\$ Change	% Change
Short-term Obligations	\$35,136,462	\$31,398,329	(\$3,738,133)	-10.6%
Capital	2,773,900	540,303	(2,233,597)	-80.5%
Operations	38,666,745	14,409,501	(24,257,244)	-62.7%
Financial Aid	0	398,121	398,121	100.0%
<b>Total</b>	<b>\$76,577,107</b>	<b>\$46,746,254</b>	<b>\$30,100,853</b>	<b>-39.3%</b>

\*Unaudited

# University Budget Overview

## Changes in reserves from 2018-2019 to 2019-2020 – Short-term Obligations

Category	June 30, 2019	June 30,2020*	\$ Change	% Change
Program Development	\$9,027,427	\$511,338	(\$8,516,089)	-94.3%
Outstanding Commitments	19,007,940	24,867,649	5,859,709	30.8%
Encumbrances	7,101,095	6,019,342	(1,081,753)	-15.2%
<b>Total</b>	<b>\$35,136,462</b>	<b>\$31,398,329</b>	<b>(\$3,738,133)</b>	<b>-10.6%</b>

\*Unaudited

# University Budget Overview

## Changes in reserves from 2018-2019 to 2019-2020 – Capital

Category	June 30, 2019	June 30,2020*	\$ Change	% Change
Improvements/Construction	\$0	\$440,303	\$440,303	100.0%
Equipment Acquisition	658,900	100,000	(558,900)	-84.8%
Maintenance and Repairs	2,115,000	0	(2,115,000)	-100.0%
<b>Total</b>	<b>\$2,773,900</b>	<b>\$540,303</b>	<b>(\$2,233,597)</b>	<b>-80.5%</b>

\*Unaudited

# University Budget Overview

## Changes in reserves from 2018-2019 to 2019-2020 – Operations

Category	June 30, 2019	June 30,2020*	\$ Change	% Change
Economic Uncertainty	\$38,666,745	\$14,409,501	(\$24,257,244)	-62.7%
<b>Total</b>	<b>\$38,666,745</b>	<b>\$14,409,501</b>	<b>(\$24,257,244)</b>	<b>-62.7%</b>

\*Unaudited

# University Budget Overview

## Changes in reserves from 2018-2019 to 2019-2020 – Financial Aid

Category	June 30, 2019	June 30,2020*	\$ Change	% Change
Financial Aid	\$0	\$398,121	\$398,121	100.0%
<b>Total</b>	<b>\$0</b>	<b>\$398,121</b>	<b>\$398,121</b>	<b>100.0%</b>

\*Unaudited



# University Budget Overview

Short-term Obligations	June 30, 2019	June 30,2020*	\$ Change	% Change
Program Development	\$9,027,427	\$511,338	(\$8,516,089)	-94.3%
Outstanding Commitments	19,007,940	24,867,649	5,859,709	30.8%
Encumbrances**	7,101,095	6,019,342	(1,081,753)	-15.2%
<b>Total</b>	<b>\$35,136,462</b>	<b>\$31,398,329</b>	<b>(\$3,738,133)</b>	<b>-10.6%</b>

Operations	June 30, 2019	June 30,2020*	\$ Change	% Change
Economic Uncertainty	\$38,666,745	\$14,409,501	(\$24,257,244)	-62.7%
<b>Total</b>	<b>\$38,666,745</b>	<b>\$14,409,501</b>	<b>(\$24,257,244)</b>	<b>-62.7%</b>

**\*Unaudited**

\*\*Encumbrances are funds for enforceable contracts and obligations.

# University Budget Overview

## Remaining General Operating Fund Reserves (Less Encumbrances)

Short-term Obligations	June 30, 2019	June 30, 2020*	\$ Change	% Change
Program Development	\$9,027,427	\$511,338	(\$8,516,089)	-94.3%
Outstanding Commitments	19,007,940	24,867,649	5,859,709	30.8%
Economic Uncertainty	38,666,745	14,409,501	(24,257,244)	-62.7%
<b>Total</b>	<b>\$66,702,112</b>	<b>\$39,788,488</b>	<b>(\$26,913,624)</b>	<b>-40.3%</b>

Of these reserves, approximately **\$18 million** is committed to fund ongoing operations and not available to fill the funding gap. The remaining **\$22 million** must be used responsibly to cover at least three years of downward adjustments of funding and cover any emergency unanticipated costs (e.g. flood damage, fire damage, critical infrastructure failure.)

**\*Unaudited**

# University Budget Overview

## How to determine what portion of reserves to use?

- Use must be proportioned over three years of downward trending state funding.
- Larger future reductions in state funding warrant cautious usage for 2020-2021.
- Campus cannot deplete its operating reserves.

**Why can't we deplete our reserves?** The state can raise taxes and legislate other revenue sources. The CSU can't and there's little support for tuition increases. The state can also reallocate resources between agencies. Therefore, we must retain responsible reserves for contingencies and emergencies.

# University Budget Overview

## General Operating Fund Reserves – Next Steps

- Use some to cover a portion of this year's funding gap
- Set aside a portion to cover forecasted funding gaps in 2021-2022 and 2022-2023
- Isolate a portion for critical emergency needs

# University Budget Overview

## Next steps:

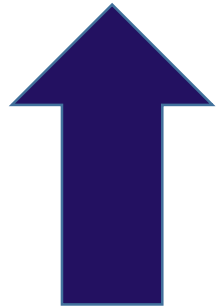
- After determining portion of reserves to use, calculate remaining funding gap to be addressed by additional expense reductions.
- Use of reserves is only a one-time bridge between fiscal years. At some point the reserves will be depleted and expense reductions are permanent and align with annual resources.
- As future conditions and data become more reliable and less speculative, campus can create a multi-year budget plan.

# 2020-21 – 2023-24 Budget Planning

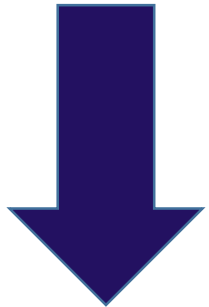
Fiscal Year	% Change	Actual(A)/Forecasted(F) Resources	A/F?
2017 - 2018	-	\$365.6 million	Actual
2018 - 2019	5.2%	\$384.7 million	Actual
2019 - 2020	4.9%	<b>\$403.4 million</b>	Actual
2020 - 2021	-9.8%	\$363.8 million	Forecasted
2021 - 2022	-5.0%	\$345.6 million	Forecasted
2022 - 2023	-2.5%	\$337.0 million	Forecasted
2023 - 2024	0.0%	<b>\$337.0 million</b>	Forecasted

- **2020-2021** Forecast is based on current planning enrollment data and B Memo from Chancellor's Office.
- **2021 – 2022** thru **2023 – 2024** forecasts are straight-line assumptions and do not account for enrollment changes, CO changes to campus funding method, or campus-based assumptions (i.e. **speculative**)

## What are our options?



**Revenues**



**Expenses**

*And, judiciously use one-time resources, such as reserves, to bridge funding gaps*

# Research Service Organizations

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**Jennifer Summit**  
Provost and Vice President  
Academic Affairs



Name	Status	Cabinet	Academic/ Campus Oversight Entity (College, Department, etc.)	Director	Director's Email Address	Date Established	Website Link
Center for Ethical and Sustainable Business (CESB)	Active	Academic Affairs / ORSP	College of Business, Dean	Geoff Desa, Colin Johnson	gdesa@sfsu.edu; cj7@sfsu.edu	2011	<a href="http://cob.sfsu.edu/sustainable-center">http://cob.sfsu.edu/sustainable-center</a>
Center for Iranian Diaspora Studies	Active	Academic Affairs / ORSP	College of LCA, Dean	Persis Karim	persiskarim@sfsu.edu	2018	<a href="https://ids.sfsu.edu/">https://ids.sfsu.edu/</a>
Center for Modern Greek Studies	Active	Academic Affairs / ORSP	College of LCA, Dean	TBA	TBA	1981	<a href="http://www.sfsu.edu/~modereek/">http://www.sfsu.edu/~modereek/</a>
Center for Research on Gender and Sexuality (CREGS)	Active	Academic Affairs / ORSP	College of HSS, Dean	Colleen Hoff	choff@sfsu.edu	2003	<a href="http://cregs.sfsu.edu/">http://cregs.sfsu.edu/</a>
César E Chávez Institute (CCI)	Active	Academic Affairs / ORSP	College of Ethnic Studies, Dean	Interim Director: Kenneth Monteiro / Director: Belinda Reyes	monteiro@sfsu.edu	1993	<a href="http://cci.sfsu.edu/">http://cci.sfsu.edu/</a>
Children's Campus: A Center for Early Care and Education, Professional Development and Research	Active	Student Affairs	Student Affairs & Enrollment Management, Eugene Chelberg	Anna Tobin Wallis	aatobin@sfsu.edu	2009	<a href="http://childrenscampus.sfsu.edu/">http://childrenscampus.sfsu.edu/</a>
Dilena Takeyama Center	Active	Academic Affairs / ORSP	Academic Affairs	Chris Weinberger	csw1@sfsu.edu	2015	<a href="http://japancenter.sfsu.edu/">http://japancenter.sfsu.edu/</a>
Documentary Film Institute (DocFilm)	Active	Academic Affairs / ORSP	College of LCA, Dean	Soumyaa Kapil Behrens	soumyaa@sfsu.edu	2014	<a href="http://docfilm.sfsu.edu/">http://docfilm.sfsu.edu/</a>
Estuary & Ocean Science Center (EOS)	Active	Academic Affairs / ORSP	College of Science & Engineering, Dean	Karina Nielsen	knielsen@sfsu.edu	2017	<a href="http://eoscenter.sfsu.edu/">http://eoscenter.sfsu.edu/</a>
Health Equity Institute (HEI)	Active	Academic Affairs / ORSP	College of HSS, Dean	Jesus Ramirez-Valles	jrv@sfsu.edu	2009	<a href="http://healthequity.sfsu.edu">http://healthequity.sfsu.edu</a>
Institute for Geographic Information Science	Active	Academic Affairs / ORSP	College of Science & Engineering, Dean	Jerry Davis	jerry@sfsu.edu	2002	<a href="http://gis.sfsu.edu/">http://gis.sfsu.edu/</a>
Institute for Holistic Healing	Active	Academic Affairs / ORSP	College of HSS, Dean	Adam Burke	aburke@sfsu.edu	1993	<a href="http://www.sfsu.edu/~ihhs/">http://www.sfsu.edu/~ihhs/</a>
Lab for Media and Community	Active	Academic Affairs / ORSP	College of LCA, Dean	Jon Funabiki	funabiki@sfsu.edu	2015	
Marian Wright Edelman Institute	Active	Academic Affairs / ORSP	College of HSS, Dean	David Anderson	danders@sfsu.edu	1997	<a href="http://edelman.sfsu.edu/">http://edelman.sfsu.edu/</a>
Michael D. Palm Center for Public	Active	Academic Affairs / ORSP	College of LCA, Dean	Aaron Belkin	belkin@sfsu.edu	2018	
Morrison Center for Chamber Music	Active	Academic Affairs / ORSP	College of LCA, Dean	Cyrus Ginwala	cginwala@sfsu.edu	2017	<a href="http://morrison.sfsu.edu/">http://morrison.sfsu.edu/</a>
Pacific Leadership Institute (PLI)	Active	Academic Affairs / ORSP	College of HSS, Dean	Erik Rosegard	rosegard@sfsu.edu	1980	<a href="http://www.pliprograms.org/">http://www.pliprograms.org/</a>
Paul K. Longmore Institute on Disability	Active	Academic Affairs / ORSP	College of LCA, Dean	Catherine Kudlick, Emily Beitiks	kudlick@sfsu.edu;+F24 beitiks@sfsu.edu	1996	<a href="http://longmoreinstitute.sfsu.edu/">http://longmoreinstitute.sfsu.edu/</a>
Poetry Center & American Poetry Archives	Active	Academic Affairs / ORSP	College of LCA, Dean	Steve Dickison	steved@sfsu.edu	1954	<a href="http://www.sfsu.edu/~poetry/">http://www.sfsu.edu/~poetry/</a>
The Global Museum: the New University Museum	Active	Academic Affairs / ORSP	College of LCA, Dean	Paige Bardolph	pbardolph@sfsu.edu	2015	<a href="http://museumstudies.sfsu.edu/">http://museumstudies.sfsu.edu/</a>
Veteran Documentary Corps (VDC)	Active	Academic Affairs / ORSP	College of LCA, Dean	Daniel Bernardi	bernardi@sfsu.edu	2017	<a href="http://veterandocs.sfsu.edu/">http://veterandocs.sfsu.edu/</a>

# Review of UBC workgroup meetings

## Four UBC Priorities:

1. **Revise of UBC Charge (Provost Summit)**
2. Setting Budget and Fiscal Policy (VP Wilson) (report not presented today)
3. Creating Budget Literacy across campus (VP Wilson) (report not presented today)
1. Defining UBC Communication and Outreach (Provost Summit) (report not presented today)

### **Jeff Wilson**

Interim Vice President & CFO  
Administration & Finance

### **Jennifer Summit**

Provost and Vice President  
Academic Affairs

# Revise of UBC Charge

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**Jennifer Summit**  
Provost and Vice President  
Academic Affairs

## UNIVERSITY BUDGET COMMITTEE (UBC) CHARGE

as revised July 23, 2020

The University Budget Committee (“UBC”) is charged with serving as a deliberative body that provides the President with ongoing advice and recommendations related to budget policy, planning, and assessment. The UBC aims to ensure that the University’s priorities are reflected in its budget through coordinated consultation, discussion, education, and outreach to the University community.

Members of the UBC, with a shared commitment to transparency in fiscal decision-making, serve to inform the University and community about budget matters, and bring concerns of the students, faculty and staff to the administration.

The UBC generally meets monthly, and holds additional meetings as needed.

All meetings are open to the public.

The UBC is comprised of SF State faculty, staff, students and administrators.

## I. Membership

All members of the University Budget Committee are voting members unless otherwise stated. A quorum shall be half plus one of the voting members. The Vice President of Administration and Finance/Chief Financial Officer (CFO) and the Provost & Vice President of Academic Affairs shall co-chair the committee.

### Ex Officio Members:

1. CFO and Vice President of Administration & Finance or designee
2. Provost and Vice President of Academic Affairs or designee
3. Vice President of Student Affairs and Enrollment Management or designee
4. Vice President of Advancement or designee
5. Vice President of University Enterprises or designee
6. Chair of the SF State Academic Senate or designee
7. Chair of the Strategic Issues Committee of the Academic Senate or designee
8. President, Associated Students or designee
9. Vice President of Finance, Associated Students

## Appointed Members:

The University President shall make all appointments after receiving recommendations and nominations as described below. Every attempt shall be made to include representatives from across the six Colleges and the Library. There shall be no restrictions on members serving multiple and consecutive terms.

1. Five faculty members, one of whom shall be a member of the Academic Senate of the CSU (ASCSU). All faculty shall have the opportunity to self-nominate during the normal Academic Senate elections process. The Senate shall rank the nominees and forward the entire list to the President for consideration. The terms shall be staggered so no more than two new appointees will be named each year.
2. Two staff members, serving a staggered two-year terms. Nominations will be broadly solicited from the campus community through Campus Memo, union leadership and the Academic Senate.
3. One Dean or University Librarian chosen from the six (6) colleges and the Library, serving a two-year term. In order to ensure broad communication across campus, the appointed staff members and Dean may not come from the same college.

## Non-voting members:

1. University President or designee
2. Executive Director, Budget Administration & Operations
3. Associate Vice President, Enrollment Management
4. Cabinet Budget Officers
5. Staff to Committee, Office of the VP & CFO, Administration & Finance
6. Representative(s) from campus labor councils

## **II. Attendance at UBC meetings:**

Attendance at the meetings is critical. If an appointed member misses more than one meeting without discussing the absence with the co-chairs in advance, the member may be replaced on the committee.

It is understood that meetings held over summer may interrupt faculty summer break, but service on the committee may require a summer meeting to discuss the budget prior to the Fall semester, and membership is accepted with this understanding. Every effort shall be made to schedule meetings at convenient dates and times.

Guests:

The UBC meetings are open to the public, and a ten-minute Open Forum provides an opportunity for interested members of the campus community to speak (3-minute limit per speaker). Guests must sign-in upon arrival at the meeting. If a portion of the meeting is deemed confidential, the committee may enter into Executive Session, and all guests must leave the room for the duration of the session.

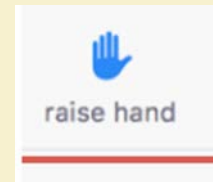
## **III. Meeting agenda and minutes**

The agenda for the meeting will be posted on CampusMemo and provided to the committee members a week prior to a meeting. Once approved, the UBC minutes will be posted on the University's Administration and Finance website.

This charge should be reviewed and updated if necessary every three years.

# PUBLIC OPEN FORUM

(10 Minutes)



Please use the "Raise Hand" icon  
*(found in your Participants menu, lower left corner)*  
then Unmute when called upon to speak.

*Three Minutes per speaker, please*





SAN FRANCISCO  
STATE UNIVERSITY

Thank you for your service to this committee.

Next meetings:

Thursday, August 6, 2020, 3:00 pm - 5:00 pm

Thursday, August 27, 2020, 10:00am – 12:00pm

Check our UBC webpage for updates:

<https://adminfin.sfsu.edu/ubc>