University Budget Committee

Thursday, October 22, 2026

UBC meeting attendees: Please ensure your full name shows onscreen

- Please use the “raise hand” function for questions during Q&A
- We’ll do our best to address questions posted in the Chat
- Public forum begins approximately 11:40 AM
- Today’s presentation will be posted to the UBC webpage

Next UBC meeting: Thursday, November 19, 2026 from 10AM – 12PM

Welcome

UBC Co-Chairs:

Jeff Wilson
CFO & Vice President
Administration & Finance

Amy Sueyoshi
Provost & Vice President
Academic Affairs

Today's UBC Meeting Agenda

1. Agenda Review/Office Hours/How to reach UBC	Jeff Wilson
2. Member roll call/New Member welcome/Minutes approval	Jeff Wilson
3. Budget Update for 2027-2028	Jeff Wilson / Elena Stoian
4. UBC 2025-2026 Campus Reserves/Designated Balances	Elena Stoian
(Break) ---------- (5 mins.)	
2. Budget 101: Self-supports and Auxiliaries	Jeff Wilson
3. Housing, Dining and Conference Services	Jeny Patiño
4. Public Forum	ALL

How to reach UBC to share any feedback:

UBC Meetings

Attend and Participate; ask clarifying questions, share your knowledge

UBC Office Hours

Drop into UBC peer-hosted Office Hour on **Fridays** after UBC

tomorrow

By Email

ubc@sfsu.edu

Emails are shared with UBC Steering Committee for their consideration

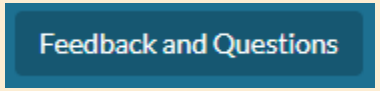
Personally

Reach out to a member so they can share their experience and can bring feedback for UBC

UBC Webpage

https://adminfin.sfsu.edu/ubc

Click on the Button



to share any comments or feedback

UBC "Office Hours"

Members of the University Budget Committee (UBC) invite you to drop into UBC Office Hours to provide your feedback on meeting presentations, suggest topics for future meetings or discuss university budget-related questions with your peers.

This is an opportunity to dialogue directly with your UBC member-representatives.

UBC OFFICE HOURS via Zoom
(tomorrow) **Friday, October 23, 2026**
Faculty & MPP: 11:00 AM – 12:00 PM
Staff: 11:00 AM – 12:00 PM

RSVP to: ubc@sfsu.edu

Office Hours take place via Zoom

- **UBC Member roll call**

- **Welcome new UBC Student member:**

  Karla Santiago-Reyes, Graduate Student Representative
  2nd year MA student, College of Ethnic Studies
  Associated Students (UBC VP of Finance designee)

- **Approval of Minutes from September 2026 meeting**

President Mahoney's Remarks

Q&A

Budget Update for 2027-2028

CSU 2027-28 Operating Budget Plan

October 2026

2027-28 Budget Planning Framework

GOAL OF WORK
Approve a sustainable 2027-28 budget framework that advances *CSU Forward*.

STRATEGIC ALIGNMENT
The proposed framework is aligned with *CSU Forward*, prioritizing student success, affordability, workforce excellence, and statewide impact.

GOALS OF THE PRESENTATION
- Present the fiscal context and budget strategy for 2027-28
- Review expenditure priorities and revenue assumptions
- Review facilities and infrastructure priorities

CALL TO ACTION / NEXT STEPS
- Adopt the final 2027-28 Operating Budget Plan
- Advocate for a stable and predictable State General Fund funding model that supports long-term planning and financial sustainability

CSU Fiscal Planning Context

Federal Funding Concerns
- Changes to Pell Grant financial aid
- Threats to CSU research and dedicated program funding

State Fiscal Environment
- Education –including the CSU– received significant new resources in 2026-27
- But no new ongoing General Fund for universities currently scheduled for 2027-28, and uncertainty around state General Fund condition persists
- Sacramento's higher education funding priorities for the CSU under new leadership

Growing Operating Costs
- Student access and affordability to meet evolving workforce needs
- Employee compensation and health benefit increases
- Rising utility, liability, and property insurance costs
- Inflationary increases in contractual services and supplies, and a new tax on software purchases

CSU Fiscal Planning Context (cont'd)

Facilities and Infrastructure Needs

- More than $9 billion in deferred maintenance needs by 2027-28, with a growing backlog
- Aging Infrastructure: 31% of facilities and 20% of science buildings are more than 60 years old, requiring modernization and renewal
- Limited state investment in capital facilities over the past two decades

Advancing CSU Forward

- Expanding student enrollment through access, persistence, and completion
- Maintaining affordability for students and families
- Recruiting and retaining talented faculty and staff
- Meeting California's workforce and economic development needs

CSU Budget Strategy

The 2027-28 budget framework is built around two principles:

1. Investments are aligned with the four objectives of *CSU Forward*
2. Expenditures fall into one of two categories:
    - **Baseline Commitments** –mandatory costs required to sustain current operations
    - **Essential Priorities** –strategic investments that advance *CSU Forward*

Investing in CSU Forward

Thriving Students, Thriving University, Thriving California | $618 million

1. Economic Mobility Engine ($82 million)	• Enrollment: Student Access, Persistence & Completion ($67M) • Innovative Academic Programs ($10M) • Bachelor of Education: Degree Development ($5M)
2. Sustainable Affordability ($151 million)	• State University Grant: Tuition Increase ($64M) • State University Grant: Enrollment Increase ($10M) • Data and Infrastructure ($10M) • Liability and Property Insurance Premiums ($16M) • Inflation on Non-Personnel Costs ($34M) • State Digital Software Tax ($17M)
3. Employer of Choice ($313 million)	• Faculty & Staff Compensation Pool ($232M) • Health Premiums ($81M)
4. Statewide Impact ($72 million)	• Debt Service: Facilities and Infrastructure ($50M) • Maintenance of New Facilities ($22M)

2027-28 Potential Expenditure Increases

Incremental & Ongoing

	(in millions)
BASELINE COMMITMENTS	
State University Grant: Tuition Increase	$64
Health Care Premiums	81
Maintenance of New Facilities	22
Liability & Property Insurance Premium Increases	16
Inflation on Non-Personnel Costs	34
State Digital Software Tax	17
Subtotal: Baseline Commitments	**$234**
ESSENTIAL PRIORITIES	
Enrollment: Access, Persistence, Completion (1%=3,941)	$67
State University Grant: Enrollment Growth	10
Faculty and Staff Compensation Pool (4%)	232
Debt Service: Facilities & Infrastructure	50
Innovative Academic Programs	10
Data and Infrastructure	10
Bachelor of Education: Degree Development	5
Subtotal: Essential Priorities	**$384**
Total Expenditure Priorities	**$618**

2027-28 Revenue Framework

	(in millions)
REVENUE SOURCE	**NEW REVENUE**
State General Fund Increase (7%)	$396
Tuition: Scheduled 6% Rate Increase	192
Tuition: Student Access & Enrollment Growth (1%)	30
Total New Revenue	**$618**

2027-28 Operating Budget Plan

	(in millions)
REVENUES	
State General Fund Increase (7%)	$396
Tuition: Scheduled 6% Rate Increase	192
Tuition: Student Access & Enrollment Growth (1%)	30
New Revenue Subtotal	**$618**
EXPENDITURES	
Baseline Commitments	(234)
Essential Priorities	(384)
Expenditure Subtotal	**($618)**

Consequences of Underfunding

- Constraints on the ability to achieve *CSU Forward* objectives
- Reduced progress toward closing student equity and achievement gaps
- Delayed graduation, retention, and student success initiatives
- Increased pressure on employee compensation and benefit programs
- Continued growth in deferred maintenance and aging infrastructure
- Delays in academic modernization and workforce-aligned program expansion
- Reduced capacity to support student persistence, completion, and degree attainment

Bottom Line: Without additional investment, campuses will be forced to redirect resources from instruction and student support services to address unavoidable operating costs, limiting progress toward *CSU Forward* goals.

Next Steps & Board Action

Board of Trustees approved the final 2027-28 Operating Budget Plan at September meeting

Next Steps

- Submit the proposal to the Department of Finance and Legislature
- Submit the proposal to gubernatorial candidates
- New Governor’s January Budget Proposal

SFSU Impact

- All new revenue comes with attached costs – very little campus flexibility, if any.
- CSU Reallocation Plan – expected by the legislature – is not part of this proposal. Reallocation Plan reduces funding for CSU campuses not meeting enrollment targets to campuses meeting and exceeding their enrollment targets.
- Must carefully monitor additional cost pressures – especially compensation costs.
- Must address $12 million deficit for this year.

Q & A

- From UBC members
- From meeting guests



CARRYFORWARDS, DESIGNATED BALANCES AND RESERVES

Jeff Wilson, CFO & VP, Administration & Finance

Elena Stoian, Executive Director, Budget Administration and Operations

Reserves, Designated Balances & Carryforwards

FY 2025–26 year-end financial snapshot • June 30, 2026

Financial resilience. Responsible stewardship. Informed campus decisions.

CSU Operating Fund 485 • All CSU funds • Campus policy

Four Terms — Different Financial Meanings

Fund Balance

Resources available less actual uses within a fund.

Designated Balance

Resources assigned to programs, commitments or planned purposes.

Economic Uncertainty Reserve

Funds set aside to absorb economic and operating disruptions.

Carryforward

Unspent general operating budget authority attributable to campus units.

Carryforwards apply to the campus general operating fund; designations and reserves are distinct reporting categories.

Two Policy Layers, One Accountability Framework

SF State | June 2023

Designated Balances, Reserves, and Carryforwards Policy

- Campus 10% good-practice reserve target
- Divisional carryforward rules and approvals

CSU Systemwide | June 2025

ICSUAM 02001.00

- At least 5% economic reserve per applicable fund
- Longer-term objective: 3–6 months of operating budget

Current CSU systemwide thresholds are drawn from the June 2025 policy; campus procedures operate within those standards.

Governance And Financial Accountability

President

Ultimate responsibility for campus financial resources.

CFO

Annual reserve designations, certification and compliance.

Vice Presidents

Divisional stewardship and spending-plan approvals.

Accountability Loop **Designate → Certify → Report → Explain / resolve shortfalls**

Campuses below the required minimums provide explanations and resolution plans.

Core Safeguards — Reserves & Carryforwards

Retention expectations depend on the budget cycle and require appropriate approval.

Reserves | Protection

CSU minimum: 5% of each applicable fund's operating budget.

CSU long-term objective: 3–6 months.

SF State good-practice target: 10%.

Carryforwards | Flexibility

Positive cycle: up to 3% earmarked + up to 1% unanticipated.

Flat / declining revenue: 1% OR LESS for unanticipated costs.

Not automatic: VP approval required; carryforwards cannot fund permanent hires or positions.

FY 2025–26 Financial Snapshot

June 30,2026 | reported ending balances

$107.1M

All CSU funds

$69.8M

Fund 485 ending balance

$19.6M

Fund 485 economic reserve

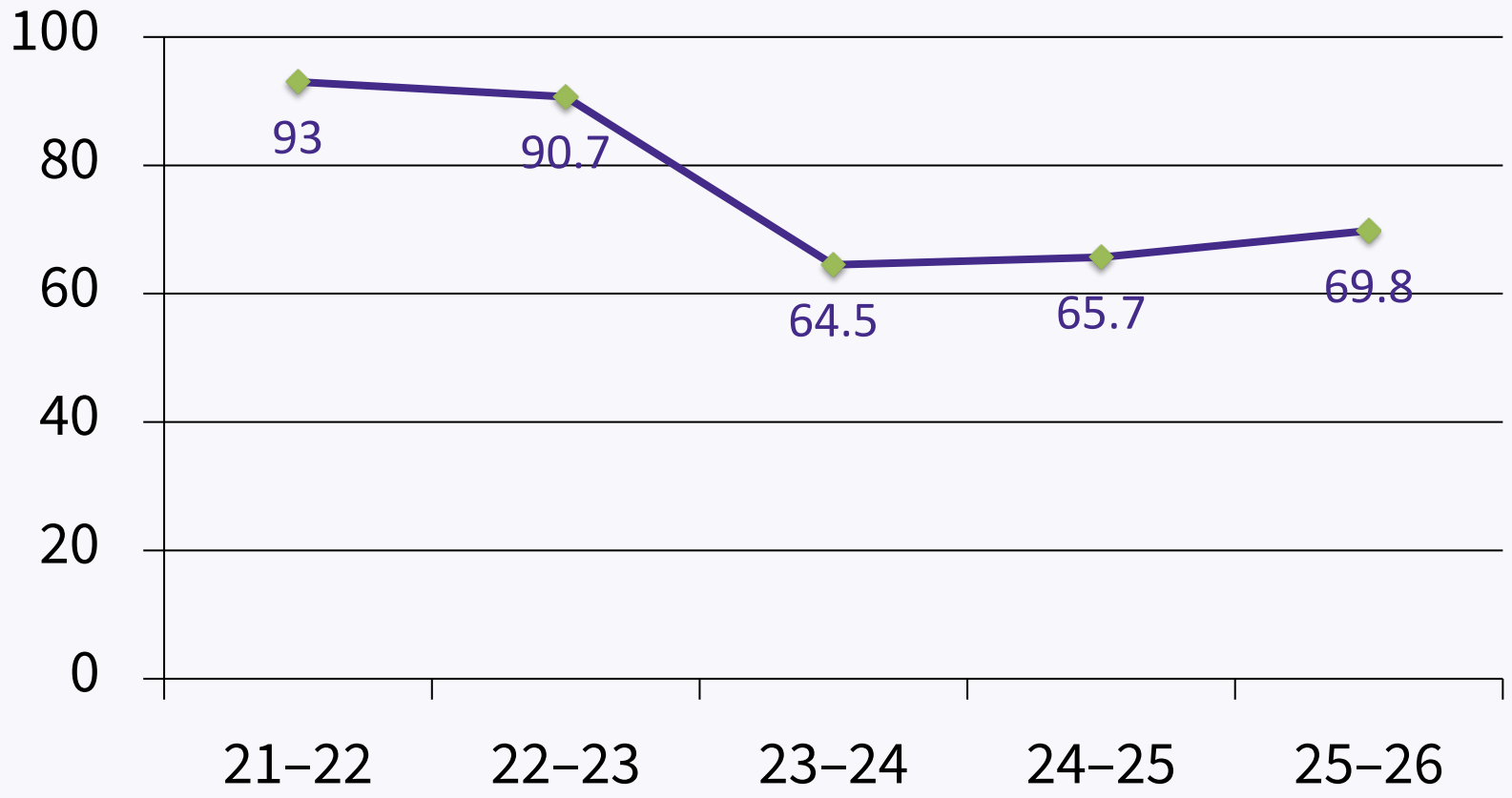
Fund 485 Composition



72% designated balances, 28% economic reserve

Fund 485 and all-funds totals have different scopes. Figures are rounded to the nearest $ million.

Fund 485 — Five-Year Financial Trend



−$23.2M

Five-year change

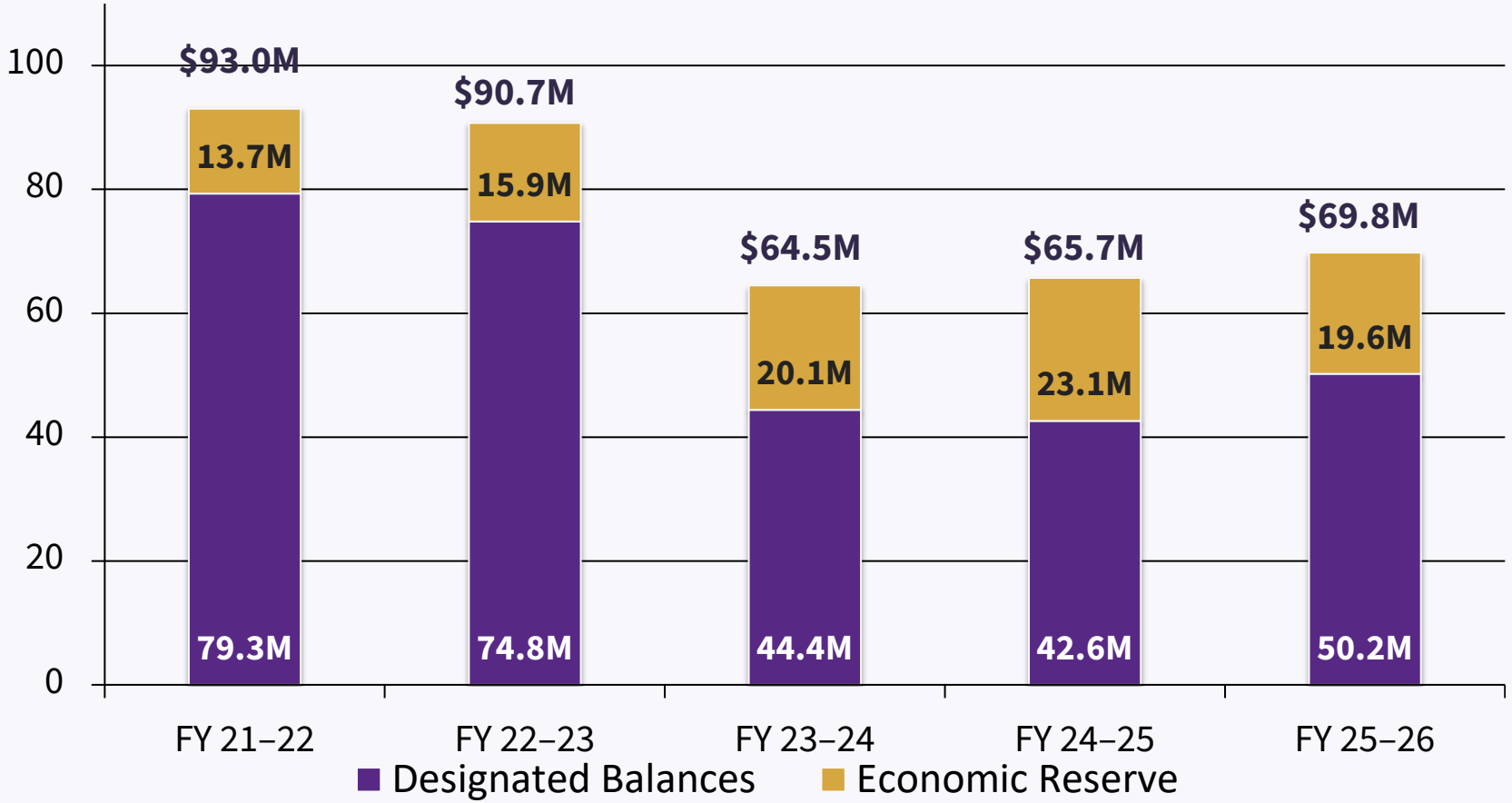
+$5.3M

Recovery from FY23–24

Ending balance declined $23.2M (25%) from FY 2021–22; modest recovery since FY 2023–24.

Fund 485 — Designated Balances And Economic Reserves

Five-year stacked balances | FY 2021–22 to FY 2025–26 | $ millions



FY 2025–26
RESERVE AVAILABILITY

$19.6M
Total economic reserve

($12.6M)
Required for deficit coverage

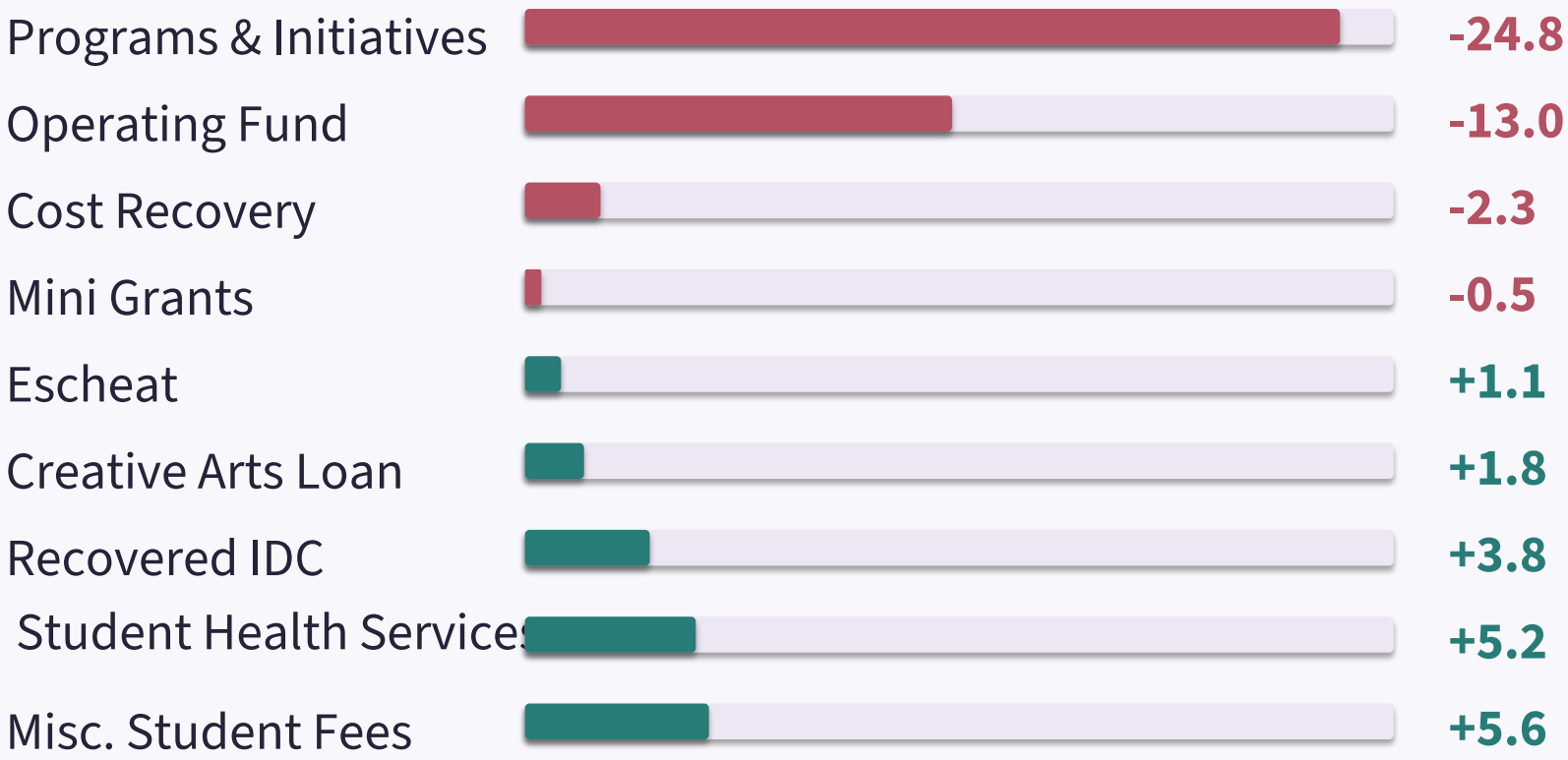
$7.0M
Projected reserve remaining

64% deficit coverage | 36% left

FY 2025–26: Of the $69.8M Fund 485 balance, $50.2M is designated; $12.6M of the $19.6M economic reserve is needed for the deficit, leaving $7.0M.

What Drove the $23.2M Five-Year Decline?

Fund 485 campus fund groups | FY 2021–22 to FY 2025–26 | $ millions



$93.0M
FY 2021–22

↓ $23.2M

$69.8M
FY 2025–26

The largest reductions were Programs & Initiatives and Operating Fund.

Reserve Adequacy ~17 Operating Days

Expense-based illustration, not the formal CSU 5% compliance test.

16.7 days

FY 2025–26 estimated coverage



17 days **90-day reference**

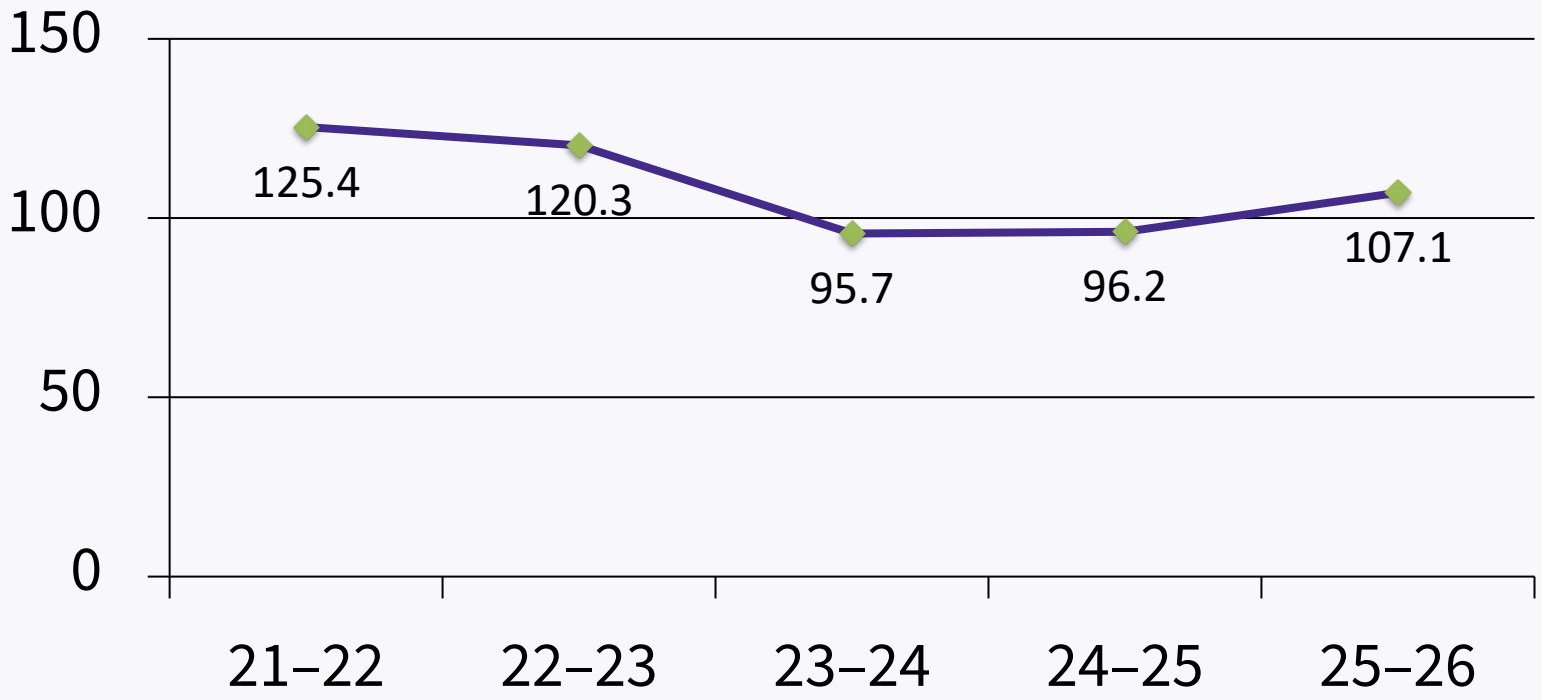
Five-year operating-days trend



Calculation: $19.584M reserve ÷ $428.8M expenses × 365.

All CSU Funds — Broader Financial Perspective

All-funds balance recovered to $107.1 M but remains below FY 2021–22.



$81.8M

Designated balances

$25.3M

Reserves

FY 2025–26: 76% designated balances / 24% reserves. All CSU funds have a broader scope than Fund 485.

All CSU Funds — Five-Year Balances by Fund

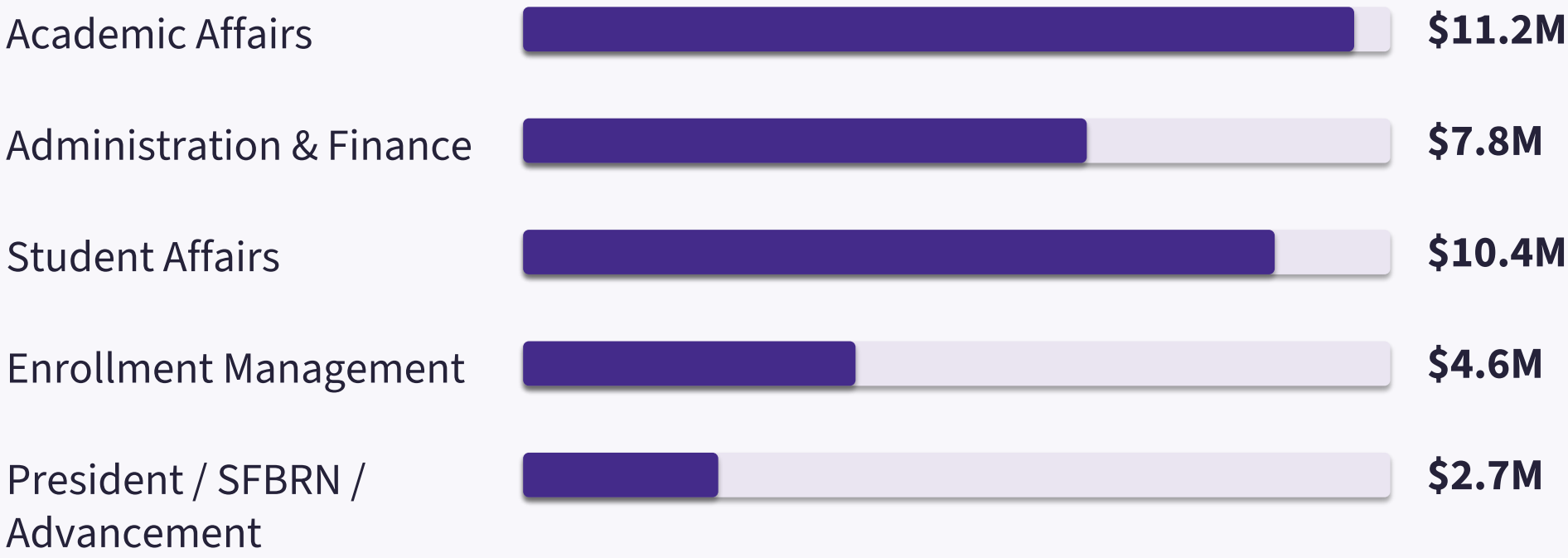
Designated balances and reserves | FY 2021–22 through FY 2025–26 | $ millions

CSU Funds	FY21–22	FY22–23	FY23–24	FY24–25	FY25–26	5-Year Change
441 - Prof & Continuing Ed. Operations	5.2	4.8	5.6	5.5	9.2	+4.0M (+77%)
452 - Facility Rev. Fund Health Facilities Fees	2.2	0.3	1.7	1.1	1.6	-0.6M (-27%)
463 - Instructionally Related Activities Trust	4.6	2.8	0.6	0.1	1.3	-3.3M (-72%)
471 - Parking Revenue Fund-Fines	0.1	0.0	0.1	0.4	0.4	+0.3M (+300%)
472 - Parking Revenue Fund Parking Fees	1.4	1.3	0.5	0.4	0.8	-0.6M (-43%)
481 - Lottery Education Fund	2.6	2.9	2.5	1.8	1.6	-1.0M (-38%)
485 - CSU Operating Fund	93.0	90.7	64.5	65.7	69.8	-23.2M (-25%)
531 - Housing Operation and Revenue	8.6	9.5	11.7	12.0	12.4	+3.8M (+44%)
534 - Campus Union Operations & Rev.	7.7	8.0	8.5	9.2	10.0	+2.3M (+30%)
Total	**125.4**	**120.3**	**95.7**	**96.2**	**107.1**	**-18.3M (-15%)**

Five-year all-funds balance: $125.4M → $107.1M | Decrease of $18.3M (approximately 15%)

Divisional Balances — Subject to Policy Restrictions

Fund 485 divisional balances are not automatically approved carryforward entitlements.



Flat / declining revenue: expect 1% or less for unanticipated costs, subject to VP approval.

Divisional Financial Trends — Consolidated View

Year-over-year changes in reported Fund 485 divisional balances

Academic Affairs

−$2.1M −16%

Administration & Finance

+$0.7M +12%

Student Affairs

+$2.1M +25%

Enrollment Management

+$3.2M +238%

University Advancement

−$0.4M −25%

Office of President

+$0.1M +15%

Rounded divisional fund-group figures; these are not necessarily policy-defined carryforwards.

Key Findings, Policy Considerations

From reported balances to financially responsible decisions

What The Data Shows

- Fund 485 remains $23.2M below FY 2021–22.
- Economic reserve fell to $19.6M.
- Reported balances are not equivalent to spending capacity.

What Requires Action

- Reconcile potential availability and restrictions.
- Continue to apply declining-cycle carryforward limits and certify spending plans.

Q & A

- From UBC members
- From meeting guests

5 Minute Break

BUDGET 101

Beyond the General Fund

Self-Support Activities • Student Fee-Supported Activities
501(c)(3) Auxiliaries

PREVIOUSLY PRESENTED

How University Resources Are Structured

General Operating Fund

01 GENERAL OPERATING FUND

02 CAPITAL CONSTRUCTION

03 SELF-SUPPORT ACTIVITIES

04 STUDENT FEE-SUPPORTED

05 GRANTS & CONTRACTS

06 501(c)(3) AUXILIARIES

How University Resources Are Structured

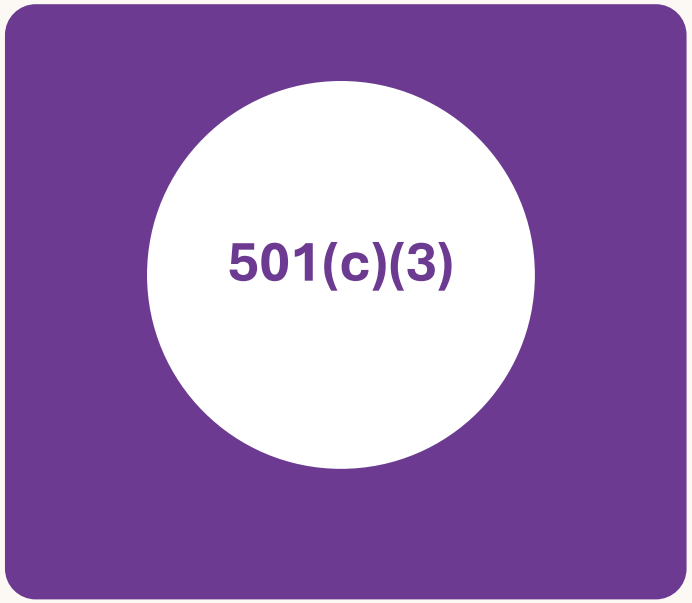
Self-Supports, Student Fee Supports & 501(c)(3) Auxiliaries

- 01 GENERAL OPERATING FUND
- 02 CAPITAL CONSTRUCTION
- 03 SELF-SUPPORT ACTIVITIES
- 04 STUDENT FEE-SUPPORTED
- 05 GRANTS & CONTRACTS
- 06 501(c)(3) AUXILIARIES

501(c)(3) Auxiliaries

DEFINITION

A 501(c)(3) auxiliary is a legally separate, tax-exempt nonprofit organization that supports a university's educational mission by providing services, managing resources, or conducting activities on its behalf. It operates under its own governing board while remaining subject to applicable university oversight, policies, and accountability requirements.



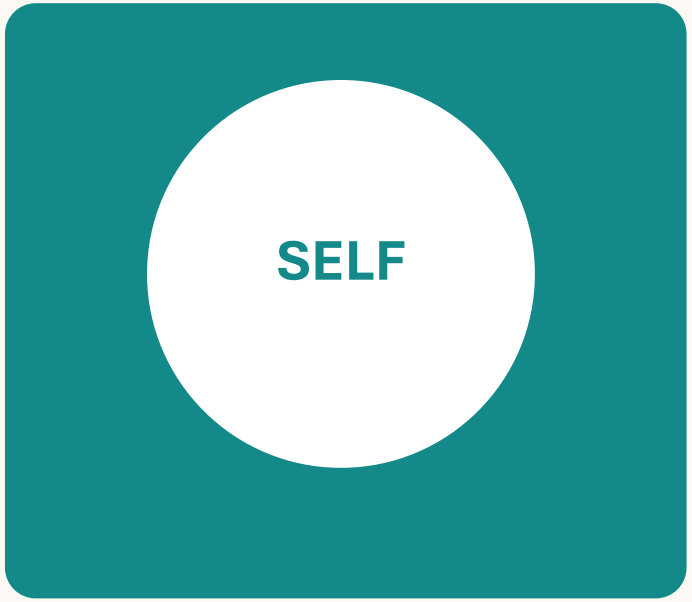
SFSU EXAMPLES

- **Associated Students**
- **SFSU Foundation**
- **University Corporation**

Self-Support Activities

DEFINITION

An organizational unit, program, or activity that operates primarily through revenues generated from its own operations, rather than through state general fund appropriations and tuition.



SFSU EXAMPLES

- CPaGE
- University Housing
- Parking & Transportation
- Mashouf Wellness Center

Student Fee-Supported Activities

DEFINITION

An organizational unit, program, or activity funded through fees assessed to students, often broadly across the student population, to support designated programs, services, or activities. These fees may be mandatory.



SFSU EXAMPLES

Gator Health (Student Health Center)

Gator Pass (Transit Pass)

Blended Support Activities

DEFINITION

An organizational unit, program, or activity funded with resources from a combination of state sources, self-support revenue, and, in some cases, student fee revenue.



SFSU EXAMPLES

Athletics

Student Center

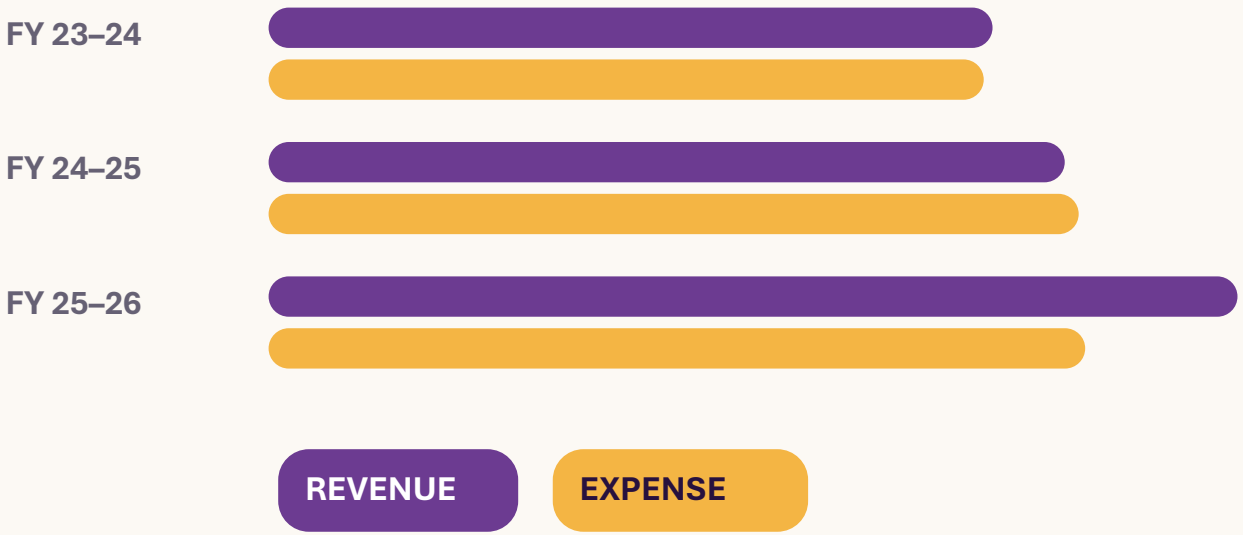
CPaGE — Three-Year Financial Activity

$20.56M
FY 2025–26 REVENUES

$17.33M
FY 2025–26 EXPENSES

$3.15M
FY 2025–26 ENDING BALANCE

REVENUES VS. EXPENSES



FINANCIAL DETAIL / $ THOUSANDS

	23–24	24–25	25–26
Beginning balance	19	213	−81
Revenues	15,362	16,894	20,560
Expenses	15,175	17,190	17,328
Transfers	−6	−2	0
Net financial activity	194	−294	3,232
Ending balance	**213**	**−81**	**3,151**

Source: Three-year Financial Activity — Self-Supported | All figures in $ thousands

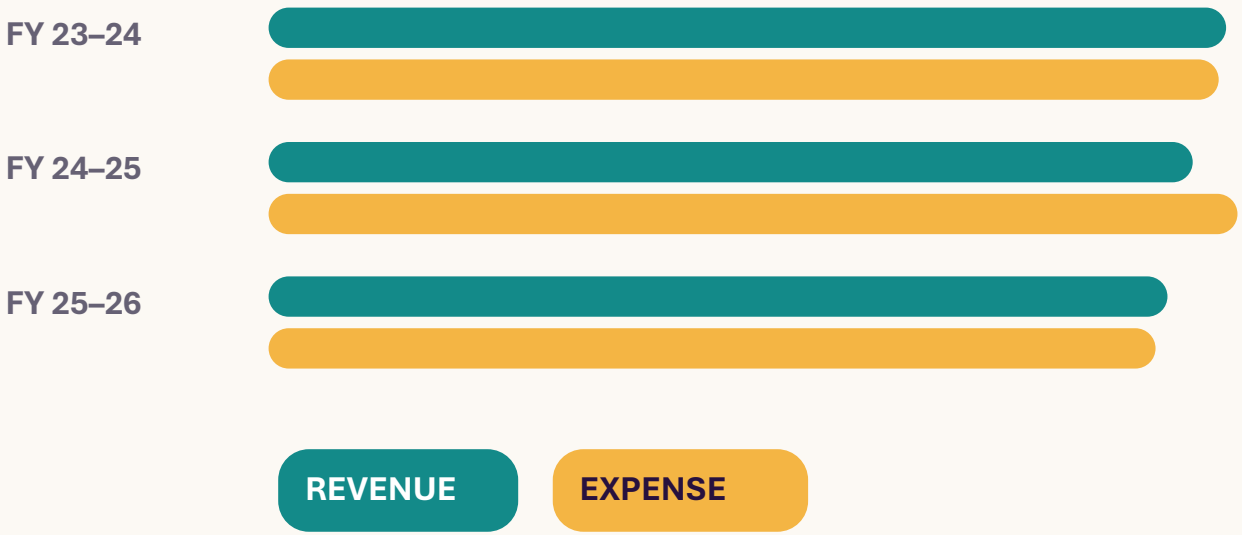
Campus Recreation — Three-Year Financial Activity

$8.37M
FY 2025–26 REVENUES

$8.26M
FY 2025–26 EXPENSES

$6.21M
FY 2025–26 ENDING BALANCE

REVENUES VS. EXPENSES



FINANCIAL DETAIL / $ THOUSANDS

	23–24	24–25	25–26
Beginning balance	6,663	6,688	6,274
Revenues	8,916	8,605	8,370
Expenses	8,847	9,022	8,259
Transfers	44	−3	179
Net financial activity	25	−414	−68
Ending balance	**6,688**	**6,274**	**6,205**

Source: Three-year Financial Activity — Self-Supported | All figures in $ thousands

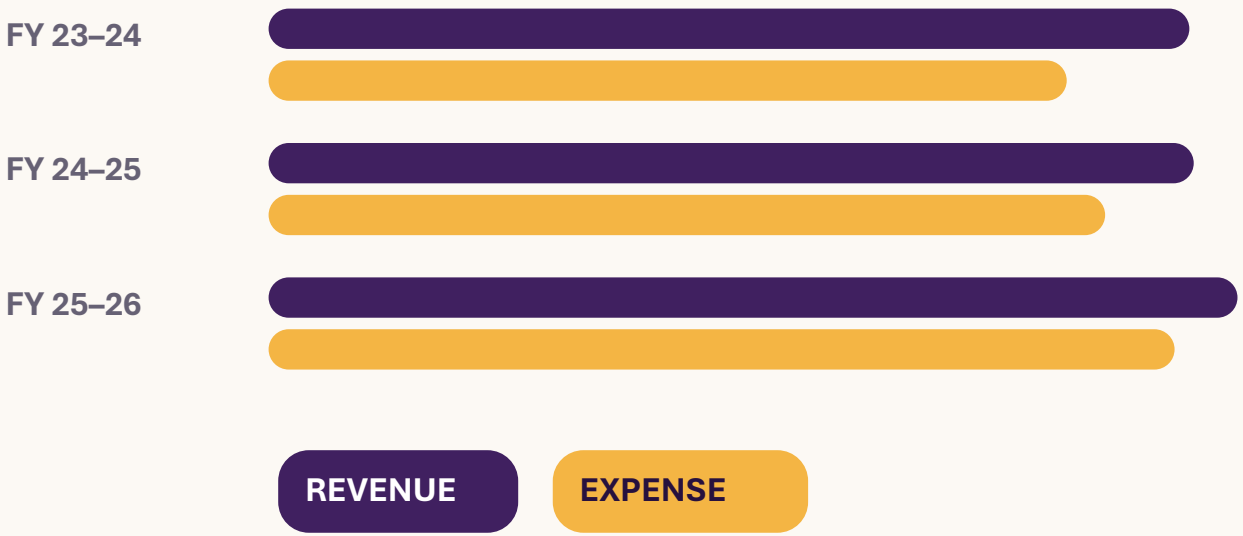
Housing — Three-Year Financial Activity

$78.63M
FY 2025–26 REVENUES

$73.52M
FY 2025–26 EXPENSES

$12.59M
FY 2025–26 ENDING BALANCE

REVENUES VS. EXPENSES



FINANCIAL DETAIL / $ THOUSANDS

	23–24	24–25	25–26
Beginning balance	9,104	11,449	11,985
Revenues	74,721	75,075	78,627
Expenses	64,768	67,886	73,521
Transfers	7,608	6,654	4,496
Net financial activity	2,345	535	610
Ending balance	**11,449**	**11,985**	**12,594**

Source: Three-year Financial Activity — Self-Supported | All figures in $ thousands

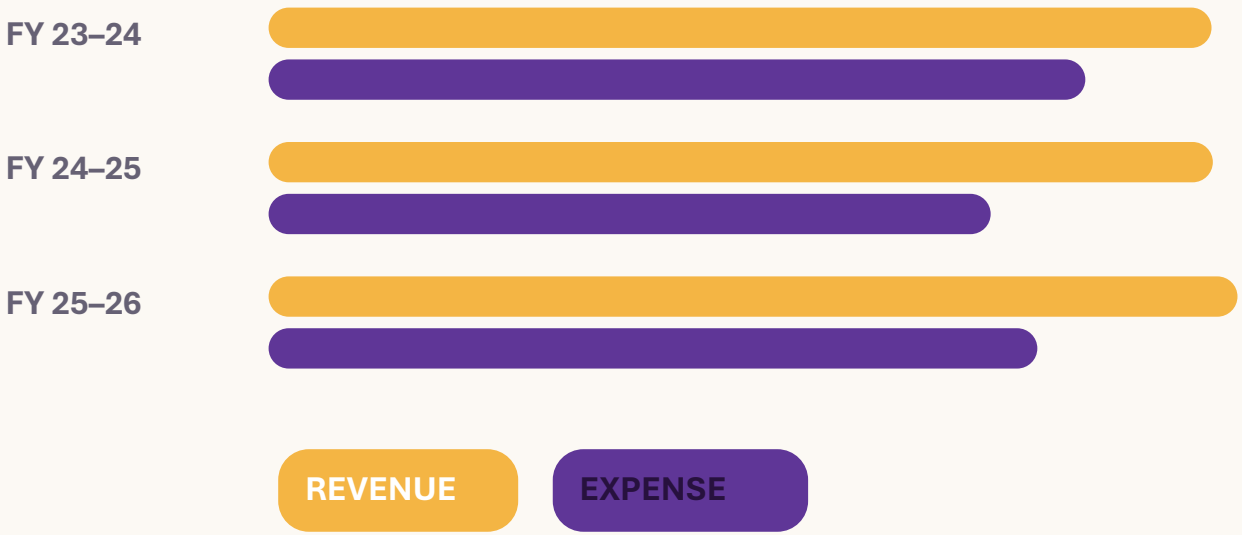
Parking — Three-Year Financial Activity

$2.95M
FY 2025–26 REVENUES

$2.34M
FY 2025–26 EXPENSES

$1.27M
FY 2025–26 ENDING BALANCE

REVENUES VS. EXPENSES



FINANCIAL DETAIL / $ THOUSANDS

	23–24	24–25	25–26
Beginning balance	1,252	647	805
Revenues	2,869	2,873	2,948
Expenses	2,485	2,197	2,339
Transfers	989	518	142
Net financial activity	−605	158	467
Ending balance	**647**	**805**	**1,272**

Source: Three-year Financial Activity — Self-Supported | All figures in $ thousands

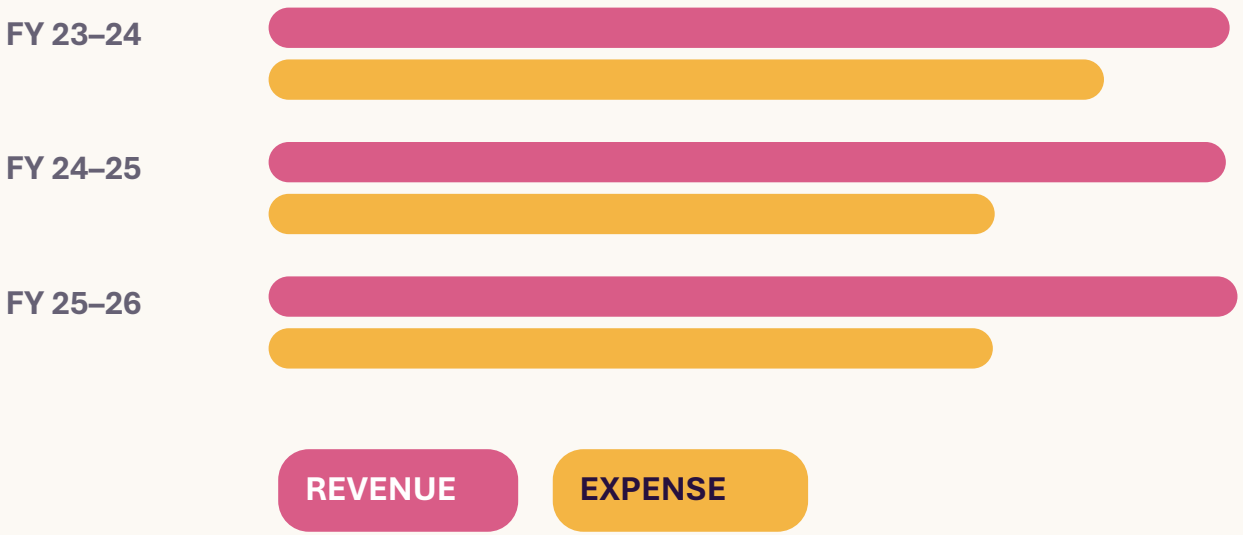
Student Health — Three-Year Financial Activity

$14.08M
FY 2025–26 REVENUES

$10.53M
FY 2025–26 EXPENSES

$12.51M
FY 2025–26 ENDING BALANCE

REVENUES VS. EXPENSES



FINANCIAL DETAIL / $ THOUSANDS

	23–24	24–25	25–26
Beginning balance	5,880	7,629	9,057
Revenues	13,966	13,911	14,080
Expenses	12,140	10,552	10,525
Transfers	77	1,932	98
Net financial activity	1,749	1,428	3,458
Ending balance	**7,629**	**9,057**	**12,514**

Source: Three-year Financial Activity — Self-Supported | All figures in $ thousands

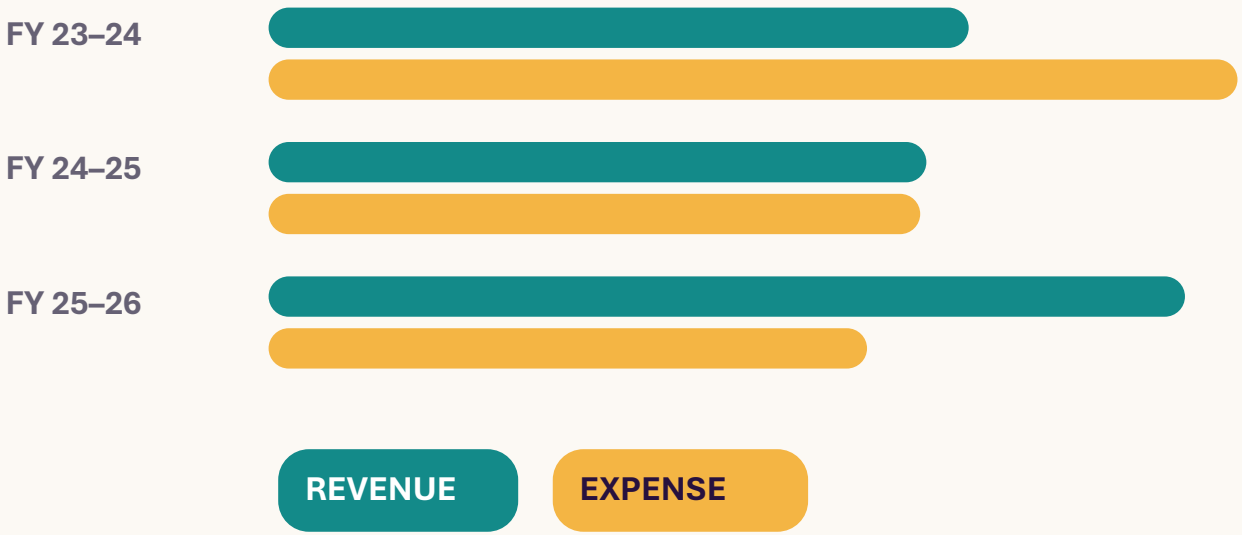
Athletics — Three-Year Financial Activity

$4.31M
FY 2025–26 REVENUES

$2.81M
FY 2025–26 EXPENSES

$0.48M
FY 2025–26 ENDING BALANCE

REVENUES VS. EXPENSES



FINANCIAL DETAIL / $ THOUSANDS

	23–24	24–25	25–26
Beginning balance	218	−1,045	−1,017
Revenues	3,292	3,093	4,309
Expenses	4,556	3,064	2,814
Transfers	0	0	0
Net financial activity	−1,263	28	1,495
Ending balance	**−1,045**	**−1,017**	**478**

Source: Three-year Financial Activity — Self-Supported | All figures in $ thousands

Q & A

- From UBC members
- From meeting guests

Housing, Dining and Conference Services

HOUSING, DINING & CONFERENCE SERVICES

A Self-Supporting Campus Enterprise

Supporting student success while sustaining our operations and infrastructure.

Revenue-Funded Operations

Primarily supported through housing fees, dining revenue, and other program-generated income.

Financial Obligations

Responsible for operating costs, debt service, contractual commitments, and campus support services.

Access, Affordability & Community

Balancing housing affordability and access with quality residential services.

Long-Term Stewardship

Funding maintenance, capital renewal, and reinvestment in aging facilities.

THE FUNDAMENTAL CHALLENGE

Unlike a traditional campus department, HDCS must balance affordability, operational sustainability, and long-term infrastructure investment within its revenue model.

STUDENT DEMAND

Housing Occupancy & Demand

Student Housing

RESIDENTS HOUSED

4,185

TOTAL BEDS

4,216

750 REDUCED-RATE BEDS

CALCULATED OCCUPANCY

99.3%

31 beds unoccupied based on the counts above. Mary Park and Ward remain closed through fall 2026.

Employee & Family Housing

OCCUPIED UNITS

302

TOTAL UNITS

313

22 BELOW MARKET RATE UNITS

CALCULATED OCCUPANCY

96.4%

High utilization reinforces the need to maintain and thoughtfully expand housing capacity.

HDCS Revenue

HDCS has four revenue generating programs.

$ in Millions

Program	FY 22–23	FY 23–24	FY 24–25	FY 25–26	FY 26–27 Budget
Student Housing*	51.41	55.64	54.20	56.27	60.65
Dining Services	10.10	8.53	9.91	11.49	12.02
Employee & Family Housing	6.80	7.15	7.57	7.57	7.72
Event & Conference Services	1.18	1.32	1.53	1.38	1.22
Other Revenue**	0.41	1.33	1.10	1.16	0.89
Total	**69.93**	**73.98**	**74.31**	**77.87**	**82.51**

Occupancy	4131 SH 286 EFH	3925 SH 290 EFH	3863 SH 299 EFH	3799 SH 290 EFH	4185 SH 302 EFH

*Manzanita Square collections are remitted to ACC as expenses. **Interest and commercial rentals.

HDCS Expenses

Operating costs, campus contributions, support services, and contractual commitments.

$ in Millions

Category	FY 22–23	FY 23–24	FY 24–25	FY 25–26	FY 26–27 Budget
Salaries & benefits	3.03	10.99	11.72	12.58	15.51
Operating expenses	22.00	25.26	27.29	30.03	25.63
Facilities* & Grounds Services	11.83	1.68	0.52	0.52	0.90
Information Technology	0.83	0.80	1.09	2.24	2.20
Environmental Health & Safety	0.00	0.06	0.06	0.06	0.06
Residential Life	3.46	4.04	3.91	4.05	3.94
Payment to ACC	8.24	9.24	10.81	9.40	10.40
Systemwide & Debt Service	12.80	12.96	14.04	16.17	18.30
Capital & Deferred Maintenance	4.25	3.56	2.69	0.35	3.38

*Facilities Services decentralized in FY 2023–24 and began reporting back to Housing.

Cost of Services Provided by Campus Partners

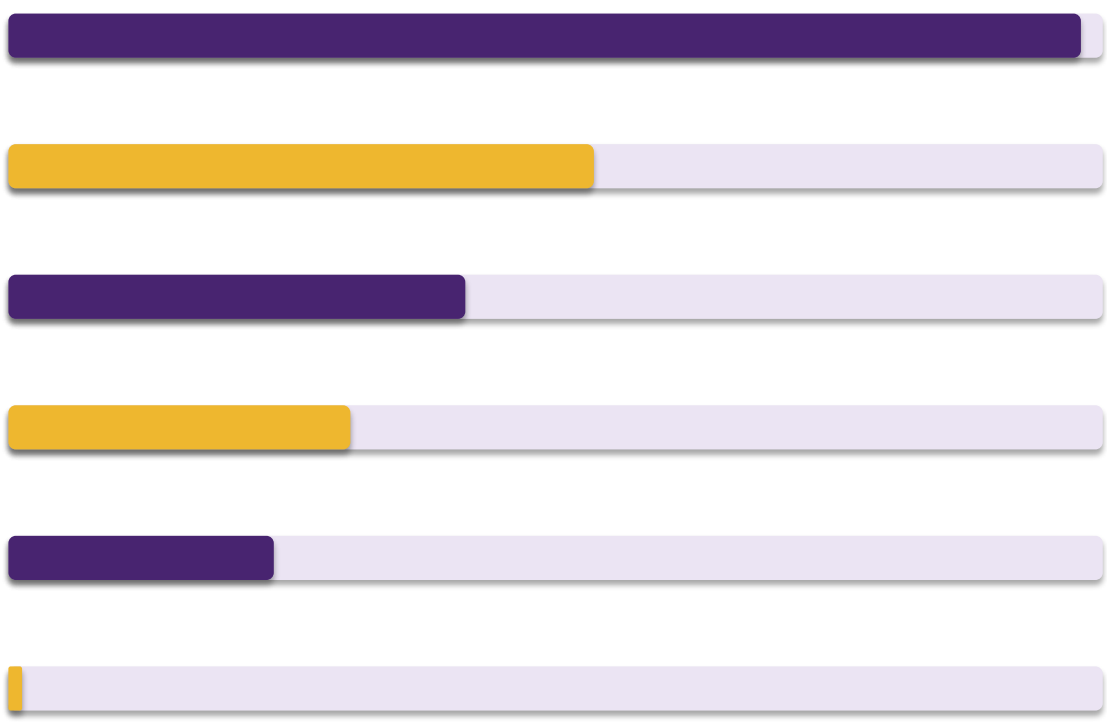
FY 2025–26 actuals demonstrate HDCS support of broader campus operations.

Residential Life	$4.046M
Information Technology Services	$2.241M
University Police Department	$1.477M
Campus Contribution	$1.190M
Grounds Services	$0.523M
One Card Office	$0.100M
Environmental Health & Safety	$0.060M
Accounting Support Fee	$0.036M

TOTAL SUPPORT SERVICES: $9.67M

Where FY 2025–26 Funds Went

Expense composition reflects both direct operations and required institutional commitments.

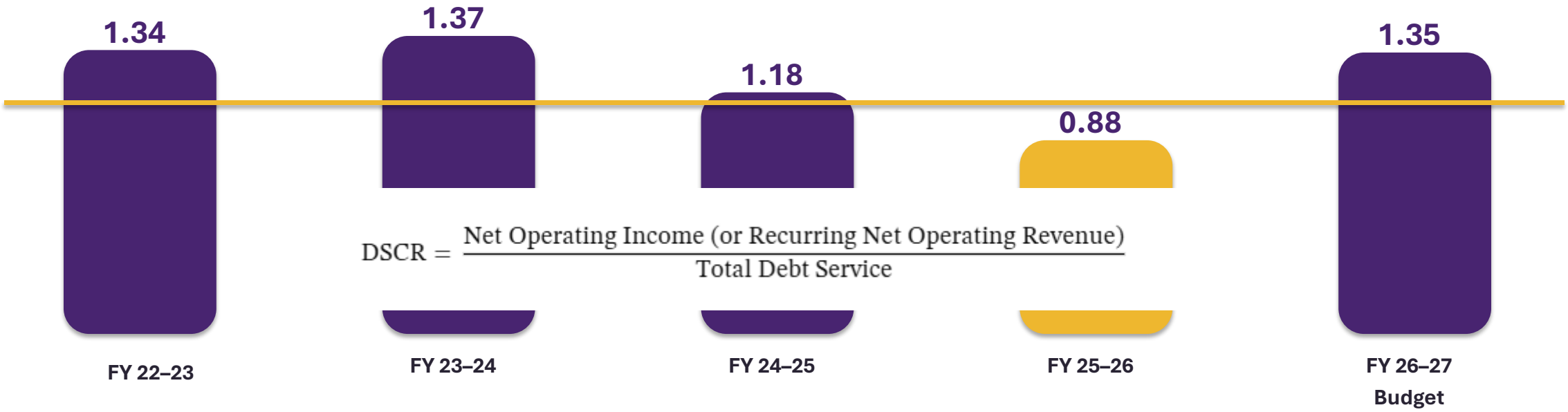


FY 2025–26 total shown: $75.39 million

[1] Source slide describes UPD, campus contribution and One Card support as included in operating expenses.

Debt Service Coverage

Required minimum DSCR: 1.10



$$\text{DSCR} = \frac{\text{Net Operating Income (or Recurring Net Operating Revenue)}}{\text{Total Debt Service}}$$

What the Ratio Means

DSCR = 1.0: The program or facility generates exactly enough operating revenue to cover its annual principal and interest payments.
DSCR > 1.0: Revenue comfortably exceeds debt obligations, showing positive financial safety.
DSCR < 1.0: Operating cash flow is insufficient to cover the debt service.

HDCS Balances

Fund balances have increased but are not equivalent to unrestricted project cash.

Fiscal year	Beginning balance	Ending balance
FY 2022–23	$7.98M	$9.10M
FY 2023–24	$9.10M	$11.45M
FY 2024–25	$11.45M	$11.98M
FY 2025–26	$11.98M	$12.59M
FY 2026–27 Budget	**$12.59M**	**N/A**

FY 2025–26 ending balance: $12.59 million

Housing Reserves

An illustrative operating reserve target exceeds the reported ending balance.

SIX-MONTH OPERATING RESERVE TARGET

$21.08M

Based on a $42.16M annual expense base*

FY 2025–26 ENDING BALANCE

$12.59M

Reported fund balance, not necessarily available cash

Why the balance is not surplus cash

HDCS must continue to fund operations, debt obligations, and the needs of aging facilities.

* Base= salaries, benefits and operating expenses

Deferred Maintenance | Long-Term Needs

Aging buildings and infrastructure create substantial renewal requirements.

ASSESSED BACKLOG

$369.59M

REPORTED 10-YEAR NEED

$581.90M

2026 ASSESSMENT-YEAR NEED

$38.53M

FY 2025–26 capital spending: $0.35 million

Renewal requirements substantially exceed recent annual capital investment.

Source: ISES assessment figures adjust annual to account for inflation.

STRATEGIC OUTLOOK

The Core Challenge

Strong demand must be balanced with affordability and long-term asset stewardship.

FY 2025–26 ENDING BALANCE

$12.59M

DEFERRED MAINTENANCE

$369.59M

BACKLOG LESS BALANCE

~$357M

Our strategic imperative

Preserve housing affordability while sustaining safe, reliable facilities and building a long-term capital reinvestment strategy.

The $12.59M ending balance equals approximately 3.4% of the assessed backlog; this is a scale comparison, not available funding.

Mary's | Near-Term Reopening, Long-Term Options

Responding to current housing demand while preserving strategic flexibility.

01 NEAR-TERM ACTION

Advance plans to reopen one currently closed Mary's building.

Support additional student housing capacity in response to demand, subject to readiness and approvals.

02 LONG-TERM EVALUATION

Continue exploring options for the Mary's properties.

Assessing facility conditions, capital investment, and future portfolio needs before making longer-term decisions.

Meet near-term demand. Preserve long-term choices.

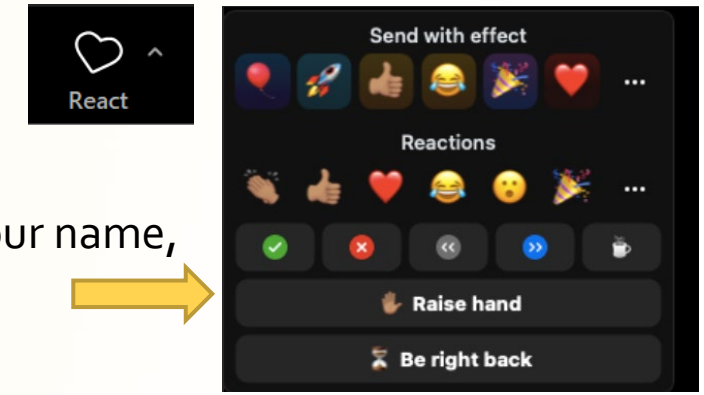
Q & A

- From UBC members
- From meeting guests

Public Forum

Open to all meeting attendees and UBC members

Please:



- ✓ **"raise your hand"** ***(found on your Reactions menu)***
  Unmute when called upon to speak. For transparency, please begin with your name, title/department. Mute when finished to reduce noise.

- ✓ **limit to <u>one</u> question, so everyone has a chance to speak**
  You can "Raise your Hand" again with a follow up question, if time allows

- ✓ **Thank you for sharing this space respectfully with all our community members**

SAN FRANCISCO STATE UNIVERSITY

We appreciate your interest in our University's budget process and the service of our UBC members and meeting attendees, in support of our students and all our Gator families.

Check our UBC webpage for information, past meeting materials, meeting updates and how to contact the UBC: https://adminfin.sfsu.edu/ubc