



University Budget Committee  
Jeff Wilson, Interim VP & CFO, Co-Chair  
Jennifer Summit, Provost & Vice President, Co-Chair  
Website: <https://adminfin.sfsu.edu/ubc>

## MEMORANDUM

DATE: January 7, 2021  
TO: President Lynn Mahoney  
FROM: Jeff Wilson, Interim Vice President & CFO Interim  
Jennifer Summit, Provost & Vice President  
SUBJECT: Recommendation for modifications to SF State's RSO Policy

<sup>DS</sup>  
*JW*  
<sup>DS</sup>  
*JS*

On behalf of the University Budget Committee's (UBC) Research and Service Organization (RSO) workgroup, we recommend the following RSO Policy recommendations for your approval.

These policy recommendations were presented by the RSO workgroup at the November and December 2020 UBC meetings, with their findings and rationale for modification to the existing policy which can be found on this website: [https://research.sfsu.edu/rso\\_policy](https://research.sfsu.edu/rso_policy). The RSO workgroup's slides and final report are attached, as presented at the December 2020 meeting in second reading. With no dissent by voting UBC members, we request approval to implement these changes.

To recap, below is an outline of the approval requested, based on these enrollment scenarios:

- Scenario 1-Most Optimistic: RSOs receiving General Fund monies should make decisions on how and where to cut 2.5% of their budget and forward those decisions to their VP.
- Scenario 2-Middle Ground Enrollment Improvement / Scenario 3- Middle Ground Budget Improvement: RSOs receiving General Fund monies should make decisions on how and where to cut 5% of their budget and forward those decisions to their VP.
- Scenario 4-Most Dire Recommendations: RSOs receiving General Fund monies should make decisions on how and where to cut 10-15% of their budget and forward those decisions to their VP.

Based on the enrollment outlook (as determined by the Strategic Enrollment Advising Committee), below are the RSO Policy recommendations. Please indicate your approval with your initials below:

RSO Policy recommendations:

- <sup>DS</sup>  
*JW* The policy should be updated to incorporate requirements for stronger financial reviews and financial sustainability.
- <sup>DS</sup>  
*JW* Periodic reports of actual costs and revenues need to be made to RSOs from ORSP so that all parties are operating on the same information.

<sup>DS</sup>  
LM A University policy needs to be developed to provide policies and practices for all non-1600 Holloway campuses: the use of General Funds to cover costs there and the responsibilities of students taking classes at these other sites would be two important topics.

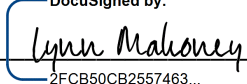
LM For Existing RSOs:

1. Must have a plan within 6 months to become self-sustaining
  - a. Self-sustaining is defined as no additional use of University General Funds for release time, salary, benefits, student employment, and/or other expenses except for space.
  - b. Move all non-salary expenses, including student employment, to external funding over time.
2. Must become self-sustaining within 3 years; extension, exemptions, or exceptions may be approved by the President.
  - a. Reviews of RSOs should more clearly focus on self-sufficiency in a way that includes release time, salary, benefits, student employment, and/or other expenses.
3. If self-sufficiency is not accomplished, the RSO must report to the President to explain their status and the President may grant an extension, exemption, or exception (see above).

<sup>DS</sup>  
LM For New RSOs:

1. Often, faculty want to create a center or institute (RSO) to accomplish certain aims. They should be encouraged to consider other possibilities besides these very specific and resource-intensive types of organization.
2. When starting up an RSO, any proposals for initial seed funding from the General Fund and a realistic timeline for financial self-sustainability should be incorporated into the initial proposal. This portion of the proposal would need to be approved by the jurisdictional administrator prior to the overall approval of an RSO.
3. No more than three years should be allowed for a new RSO to become financially self-sustaining.

Please indicate your approval of these recommended RSO policy modifications with your signature below:

DocuSigned by:  
  
 \_\_\_\_\_  
 Lynn Mahoney, President

01/19/2021 | 12:25 PM PST  
 \_\_\_\_\_  
 Date

cc: Provost's Office, VP & CFO Office, ORSP, UCorp

Encl: RSO workgroup slides and final report