Welcome!

UBC guests: Please ensure your full name shows onscreen

- Please use the "raise hand" function for questions

- We'll do our best to address questions posted in the Chat

- Public forum begins approximately 11:45AM

- Today's presentations will be posted to the UBC webpage

last UBC meeting for Spring 2024:

Thursday, May 16, 2024, 10:00 AM – 12:00 PM via Zoom

Welcome
from UBC Co-Chairs

Amy Sueyoshi
Provost & Vice President
Academic Affairs

Jeff Wilson
CFO & Vice President
Administration & Finance

Share Your Thoughts

UBC Meetings

Attend and participate in the public forums

UBC Office Hours

Attend drop-in UBC member peer-hosted Office Hour on **Fridays** after UBC

Tomorrow, April 19th

By Email

ubc@sfsu.edu
Shared with UBC Steering Committee

Personally

Reach out to a member and they can share knowledge and bring input back to UBC

UBC Webpage

https://adminfin.sfsu.edu/ubc

Click on the

Feedback and Questions

button

UBC Office Hours

Members of the University Budget Committee (UBC) invite you to attend UBC office hours to provide your feedback on meeting presentations, to suggest topics for future meetings, to discuss university budget-related questions, etc. This is an opportunity to dialogue directly with your UBC member-peers, as sessions are offered specifically for staff and faculty/MPPs.

UBC OFFICE HOURS
(tomorrow) **Friday, April 19, 2024**
Faculty & MPP: 11:00 AM – 12:00 PM
Staff: 11:00 AM – 12:00 PM

RSVP to: ubc@sfsu.edu

All meetings take place via Zoom

AGENDA

Welcome/Office Hours/Agenda Review	Amy Sueyoshi
Member rollcall	UBC coordinator
Minutes Approval (UBC Dec. 2023 meeting)	Amy Sueyoshi
President's Message	Lynn Mahoney
Budget Update	Jeff Wilson
MBRAC Update	John Kim
UBC's Alternative Revenue Subcommittee update	Jeff Wilson

BREAK (5 mins.)--

Discussion: IDC Policy Workgroup: 1st reading update	Eugene Sivadas
Academic Affairs Budgeting Process	John Kim
Public Forum	ALL

Member Rollcall

Approval of Minutes
from UBC meeting Mar. 21, 2024

All past meeting minutes can be found on the UBC Webpage

President's Message

2024-2025 Budget Update
(verbal report)

Jeff Wilson
CFO & Vice President
Administration & Finance

Thank you.

Questions?

Academic Affairs Multi-Year Budget Realignment Advisory Committee (MBRAC)

April UBC update

John Kim
Interim Vice Provost, Academic Resources
Academic Affairs

12 MBRAC committee members (updates since Feb. UBC presentation in yellow):

Department Chairs: Liz Brown (Criminal Justice Studies, CHSS)
Vance Vredenburg (Biology, COSE)
Kim Schwartz (School of Theatre & Dance, LCA)
Laura Epstein (Speech, Language and Hearing Sciences, GCoE)

Other Faculty: Robert Collins (American Indian Studies, CoES)
Yvonne Bui (Special Education, GCoE)

Staff: Sam Ward (Facilities & Operations Specialist, CHSS)
Janet Remolona (Personnel Officer, LFCoB)
Christine Nagaya (Logistics Coordinator, Academic Technology)

Associate Deans: Yim-Yu Wong (LFCoB)
Resha Cardone (LCA)

CBO liaison: Ly Chau (Director of Academic Budget, Academic Resources)

Goal for Spring 2024:
- To conduct a comprehensive survey of Operating Expenses (OE) across AA
- To finalize enough work in time to help inform FY 2024-25 budget plan for AA

Timeline (updates since Feb. UBC presentation in yellow):
- **by mid-May:**   **subgroups to survey 6 Colleges, Library and other AA units**
- **by mid-June**:   complete collection and organization of information
- **Fall 2024**:   complete final report

Overall plan (based on MBRAC work in Spring 2024):
- (To start) to build OE into the GF operating budget plan for AA
- To identify other sustainable means of funding OE in AA

Thank you!

Questions?

UBC Alternative Revenue – DRAFT Framework

San Francisco State University
Administration & Finance

Form a Subcommittee charged with creating a policy/procedure – "framework" – for alternative revenue streams to specifically support the University's general fund operations, as well as other campus operations.

What is an Alternative Revenue?

Potential financial resources outside the state appropriation, tuition and fees, cost recovery, and investment income that currently fund the costs associated with general operating fund operations.

Total resources equal $355.2 million for Fiscal Year 2023-2024:

- State appropriation = $240.0 million
- Tuition and fees, net = $103.2 million
- Other financial sources = $12.0 million

Alternative revenues would provide additional resources to these core financial resources.

In addition to philanthropy, other sources of revenue exist at SF State. For several reasons, these resources are not available to support general fund operations:

Some resources are statutorily limited in how they can be used:
- e.g., lottery funds, parking funds, housing funds, financial aid funds.

Some resources are limited by campus restrictions for certain student fees:
- e.g., the transit pass fee can only be used to fund the operations and administration of the transit pass program.

Donations are restricted by donor intent which is also legally binding.
- Donations given to support general fund operations without restrictions are rare.

There are also smaller revenue streams that are less restricted.

These resources are often derived from a one-time event, are offset by costs, or are so small they are not meaningful toward providing reliable, recurring, and significant resources to support general fund operations.

Other universities, including CSU campuses, have taken steps to increase <u>alternative revenues</u> to support general fund operations both directly and indirectly.

Examples include:
- Sponsorships
- Pouring rights
- Preferential product/service selection
- Space rentals
- Tax referenda
- Sales of general fund operations services

Indirect support refers to the alternative revenue directed to a specific program (direct beneficiary of alternative revenue) that allows general fund resources to be redeployed for other general fund operations.

Alternative Revenue Framework

- The Framework determines if the alternative revenue should be vetted by the "Alternative Revenue Subcommittee" (appointed by the UBC) or if it remains under the purview of the college or division.

- Quantitative & Qualitative characteristics of the alternative revenue proposal should be considered to determine if the proposal requires consultation with the Alternative Revenue Subcommittee.

Dollar Amount	Is the dollar amount significant?
	Generally, any proposal involving more than $250,000 of revenue and/or related costs is subject to consultation.
	Smaller amounts should be considered based on a *qualitative* assessment.

Framework Categories – Qualitative Assessment

Commercialization of campus assets & resources not currently commercialized	If an asset or resource is commercialized, it is critical the asset or resource is not prevented from achieving its original, missional purpose. For example, revenue-generating activities cannot interfere with instructional space's use for instruction. How will a proposed activity speed up the wear-and-tear or add additional duties and responsibilities for employees?
Financially Viable & Sustainable	Proposals should be evaluated to determine if they are financially viable and, if designated for a long-term, recurring purposes, that they are sustainable over time. It's also important to understand the length of time the University's assets and resources will be committed.
Independent from Philanthropy	If a proposal involves donations or relationships with donors, including foundations and charitable organizations, University Advancement should be consulted. Alternative revenues may be possible, but it is important that Advancement provide oversight for donations and gifts to SF State and manage donor relationships.
ESG Considerations	Environmental, Social, and Governance (ESG) considerations refers to how companies score on these responsibility metrics and standards. Environmental criteria gauge how a company safeguards the environment. Social criteria examine how it manages relationships with employees, suppliers, customers, and communities. Governance measures a company's leadership, executive pay, audits, internal controls, and shareholder rights. These considerations are especially important if a proposal involves engaging with an outside corporation or organization who gain access to students and employees.

Alternative Revenue Process

1. Vice Presidents forward proposals to the UBC Alternative Revenue Subcommittee for review

2. Proposals must include:
    a. Narrative based on quantitative and qualitative assessments
    b. Impact on General Fund
    c. Pro Forma
        - What support the University will provide
        - How long the University will invest in keeping the stream sustainable
        - Internal/External parties involved and resources they'll provide
        - Suggested timeline

3. UBC Alternative Revenue Subcommittee will make a recommendation to the Vice President of Administration & Finance and Vice President of University Advancement

Thank you!

Questions?

5 Minute Break

Indirect Cost Policy Proposal
First Reading (2nd Iteration)
April 18, 2024

John Kim, Interim AVP of Academic Resources

Gretchen LeBuhn, Professor of Biology, College of Science and Engineering

Tiffany O'Shaughnessy, Associate Professor of Counseling, College of Health & Social Sciences

Michael Scott, AVP for the Office of Research and Sponsored Programs

Eugene Sivadas, Dean, Lam Family College of Business

Audrey Gavino, Parangan-Smith, Co-Director, SF Build

Crystal Kam, College Business Officer, College of Science & Engineering

SAN FRANCISCO STATE UNIVERSITY

IDC Explained

Sponsored projects have direct and indirect costs.

Direct costs are specifically and uniquely attributed to and billed to a particular project or activity and are allowable under the sponsoring organizations' guidelines.

Indirect costs are charged to a funder to cover the expenses associated with the facilities and administrative support for a sponsored activity.

SAN FRANCISCO
STATE UNIVERSITY

IDC Explained

- IDC is not profit but reimbursement of costs incurred by the university for facility and admin. costs
- SFSU IDC rate ranges from 0-55% .[1]
- Each college or unit gets 25% of the IDC it generates and not 25% from a pool.
- SFSU does return 25% of IDC generated regardless of the IDC rate (most universities only return IDC that meets certain rate thresholds)
- The remaining 75% IDC is used to:
  - ➤ reimburse A & F ($1.25 Million) for facilities and some administrative costs
  - ➤ Salary / Benefits of one ORSP Staff
  - ➤ ORSP Operating Expenses including Small Grant Program for Faculty
  - ➤ Tiburon Expenses
  - ➤ COSE new faculty start-up packages

[1] 0% IDC grants must be primarily focused on supporting students.

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Impact of faculty grants on students

$ 9,031,260

direct student support

Students supported by faculty grants at ORSP

Salaries & Wages   **$1,705,059.29**

  Graduate Assistant   1,016,663.46
  Student Assistant   688,395.83

Participant Support Costs   **$4,831,747.64**

  Scholarships   265,063.13
  Stipends   4,400,191.79
  Supplies & Services   117,321.68
  Travel   49,171.04

Students supported by faculty grants at UCORP

Salaries & Wages	**$ 79,083.00**
Participant Support Costs	**$**
1,338,348.00	

Scholarships	49,790.00
Stipends	1,284,858.00
Honorarium	3,700.00

Tuition and Fees	**$ 478,167.78**

SJSU vs. SFSU

- SJSU uses a rate threshold of 23% and only returns IDC on grants with IDC rates > 23% .
- SFSU gives back 25% of IDC on all grants that generate IDC regardless of IDC rate
- Last year, many departments would have lost all their IDC return if a 20% threshold was in place.
  - ➤ The College of Ethnic Studies would have lost their entire distribution.
  - ➤ A total 138 PIs generated some IDC and it was distributed.
  - ➤ We had 100 PIs with grants with IDC rates above 20%.
  - ➤ A**bout half of the total spending on campus was from grants at 20% or less.**
  - ➤ Last year, SJSU gave out $500K, with only **$300K** going to the colleges.
  - ➤ We gave out $1,177,868 to Colleges/Units, nearly 4 times as much as SJSU.

Proposed IDC Distribution Policies

- I. Academic Resources shall return 25% of IDC to the college where the grant is generated.

- The remaining 75% of IDC remain in General Fund and are used to pay for financial commitments including Administration and Finance expenses, ORSP operating costs, start-up packages for new faculty hires in COSE, operating costs of the Romberg Tiburon Campus and the Estuary and Ocean Science Center.

- If the fixed costs exceed 75% of total IDC generated, the amount returned to colleges will be pro-rated in subsequent years.

- II. Academic resources and ORSP will consult with the University Research, Scholarship, and Creative Activities Council of the Academic Senate before agreeing to new financial commitments.

IDC Distribution Policies

- ORSP shall create a reserve fund equivalent to 20 percent of IDC generated to better weather variations in grant activity.

- Funds from this reserve will be controlled by the AVP of Research and Sponsored Programs and may only be spent to support the research mission of the University.

- If the reserve fund exceeds the 20 percent threshold, a committee shall be appointed by the Provost or designee to examine how best to utilize the excess reserves.

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Each College shall publish a clear policy for how IDC is shared back to the Department.
At present, the College policies are:

College	College Split Policy	Comments
LCA	College retains 100% IDC	Uses it to offset research expenses for new faculty and support faculty research. It also gives up IDC to cost-share in low-IDC grants.
GCOE	College retains 25 percent and gives 75 percent to the Department	Departments may give it back to the faculty.
CHSS	College retains 25 percent and gives 75 percent to the Department	
COSE	College and Department split 50-50.	In the Dean's Office, we use it to support faculty start-up packages and address equipment and infrastructure problems. The departments use these funds at their discretion but mainly support research efforts.
LFCoB	College gives 100% to the Department.	Minimal grant-seeking activity. Very small amounts are generated in IDC.
COES	College retains 100% IDC.	Only small amounts are generated in IDC and used it for faculty professional development.

- Colleges must detail their IDC sharing policies with Departments and the use of retained funds.

- Departments receiving IDC allocations must outline their distribution methods, whether keeping, sharing with PIs, or other approaches.

- IDC fund distribution should be shared annual faculty with the faculty in Colleges and Departments.

PI Share

While the policy does not mandate a set percent of IDC go back to the PI, we strongly recommend that departments incentivize PIs by sharing a suitable and appropriate amount of IDC with the PI.

Departments shall craft a policy on PI share, and ensure that all current and new PIs are aware of the policy.

1   2   3   4

Increasing Transparency

- By end of fall semester, ORSP website will report the amount of IDC generated by each college in the previous fiscal year, and a report on how IDC retained at Academic Resources and ORSP was spent during the previous fiscal year.

- By the end of the fall semester, each College must publish an annual report posted on their website reporting how much IDC they received and a report on how it was spent.

- By the end of the fall semester, In Colleges where IDC is shared with Departments, department chairs are required to submit an annual report to the faculty reporting the amount of IDC received and a report on how it was spent. These reports should be shared annually with the faculty in the department and any relevant staff who manage grants.

Suggested Details On College and Departmental IDC Spending

- Student assistants
- Supplies and services
- IT hardware and software
- Research equipment and service contracts
- Infrastructure improvements and remodeling of research spaces
- Support for start-up faculty
- Vehicle operations for field trips
- Faculty professional development
- Health and safety measures, and insurance expenses

Annual Facilities and Administrative Report

https://research.sfsu.edu/annual-facilities-administrative-report

Reserves & Carryforwards (University IDC)

- IDC revenue collected by the University in an upcoming fiscal year cannot be predicted with great accuracy.

- IDC revenue will be monitored quarterly. If at midyear it is determined that there will be more than 20% of the current year's reserve remaining at the end of the year, the reserve will be allocated according to the IDC distribution policies outlined in this policy.
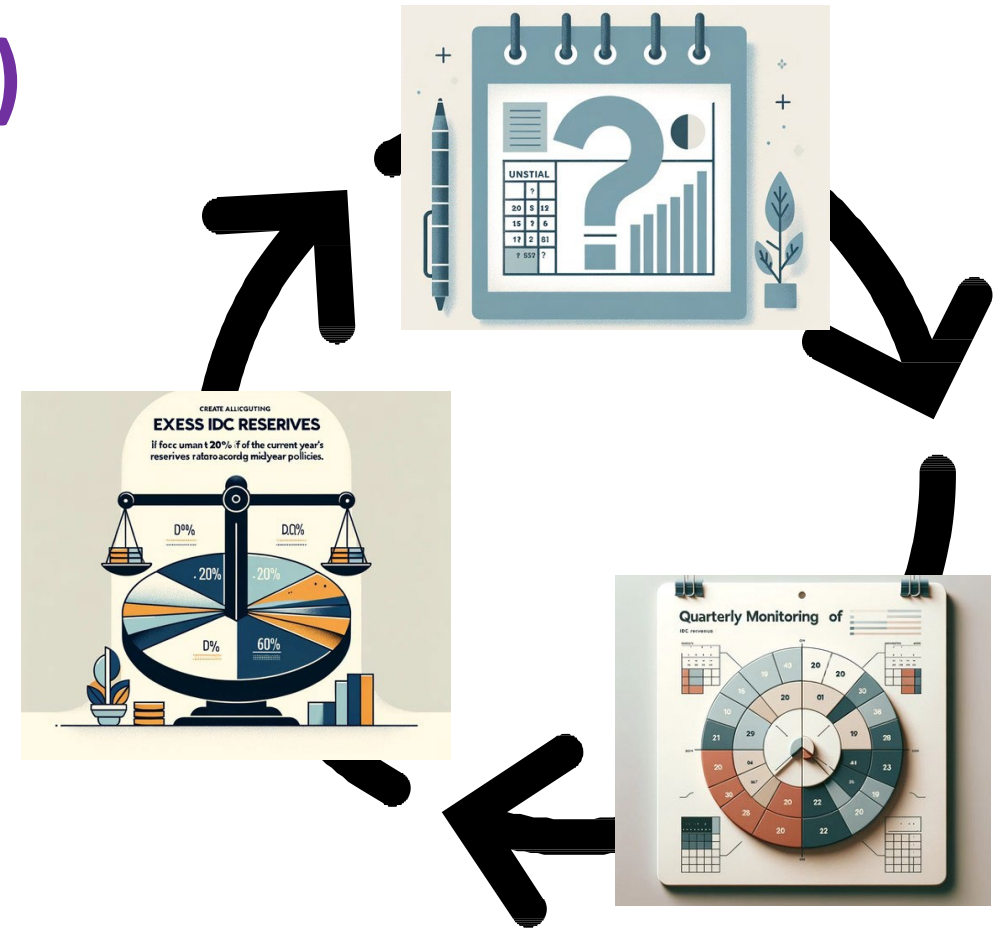
Unit Specific IDC

- Any unit that receives an IDC distribution can carryforward 20% of its IDC allocation to the following fiscal year without justification. This rule shall not apply if total IDC allocation is less than $10,000.

- For any amount of carryforward greater than 20%, the relevant unit must write a justification for the use of that part of the carryforward over the course of the next 3 years.

- Colleges are asked to set aside 10 percent of their total carryforward IDC funds in an equipment maintenance account so that such funds can help with RSCA related equipment maintenance. Colleges that do not have any equipment to maintain are exempt from this requirement. The expectation is that the full 10% will be spent each year maintaining and updating research equipment and a report of the spending of the previous year's equipment maintenance account will be made available on the college's website at the beginning of each fall semester.

These policies should be reviewed every 3 years by the University Budget Committee.

Thank you!

Questions?

Academic Affairs Budgeting Process

John Kim
Interim Vice Provost, Academic Resources
Academic Affairs

Academic Affairs Budget Process

John Kim
Interim Vice Provost, Academic Resources
Academic Affairs

Budget planning for FY 2024-25:

1. Continuous budget planning using best information:

   - first year is done, i.e., AA made permanent 5M reduction in FY 2023-24

   - remaining three years of permanent reductions:

	24-25	25-26	26-27
- original "glide path" (as of July 2023):	-5M	-3M	-3M
- December UBC meeting (Scenario 2):	-5.0M	-5.1M	-5.2M
- February UBC meeting:			
(% of salary)	-5%	-3%	-3%
(salary reduction)	-8.24M	TBD	TBD
- April budget planning memo:	-8.27M	TBD	TBD
(see next page)			

2024-2025 SF State Budget Planning Instruction for Campus Units

For FY 2024-25, the budget planning process for the second year of the multi-year campus plan will be to achieve a planned target. Budget planning for the target includes the following concepts:

1. The budget call memo provides the required planning target in dollars in Table 1.

Table 1 - Targeted Reduction by Cabinet
(Dollars in thousands)

Component	AAF	A&F	OP	SAEM	UA
FY 2023-24 Budget	155,871	36,093	1,646	20,826	6,370
FY 2023-24 GSI	7,017	1,298	66	788	244
FY 2023-24 Final Base	162,889	37,390	1,712	21,614	6,614
Reduction	**-8,270**	**-1,314**	**-73**	**-995**	**-301**
FY 2024-25 Targeted Base	154,619	36,076	1,639	20,619	6,313

2. **FTES "targets" for class schedule planning**

   \- NOTE: not budgeted FTES from C.O. (i.e., 24,582 FTES budgeted target)

   \- "FTES targets" as FTES goals (given that we are over 20% below target)
   - FTES expected (if similar classes are offered)
   - generated by Institutional Analytics in January 2024
   - based on patterns of students taking classes, enrollment updates, etc.
   - used by Colleges, Departments for class schedule planning

Preliminary College Targets - Fall 2024 and Spring 2025
(prepared by Institutional Analytics, 1/4/2024)

		Fall 2024 Target (1/4/2024)	Fall 2023 Census	F24 vs. F23 Differences	Spring 2025 Target (1/4/2024)	Spring 2023 Census	S25 vs. S23 Differences
Business	GE Area						
	LD-A1			-			-
	LD-A2			-			-
	LD-A3			-			-
	LD-A4			-			-
	LD-B1			-			-
	LD-B2			-			-
	LD-B3			-			-
	LD-B4	22.9	23.2	(0.3)	20.2	21.6	(1.4)
GE Classes	LD-C1			-			-
	LD-C2			-			-
	LD-D1	263.3	259.4	3.9	279.4	292.3	(12.8)
	LD-D2			-			-
	UD-B	17.2	18.3	(1.0)	21.2	23.9	(2.6)
	UD-C	54.8	57.9	(3.0)	40.0	43.4	(3.4)
	UD-D	157.8	162.2	(4.4)	137.4	149.1	(11.7)
	USCAG			-			-
	xGE-E	29.3	29.8	(0.5)	27.0	28.8	(1.8)
	xGE-F			-			-
Non-GE Undergrad	UG	1,721.4	1,800.2	(78.8)	1,820.4	1,956.1	(135.6)
Grad		152.9	162.1	(9.2)	133.6	156.6	(22.9)
Total		2,419.5	2,513.0	(93.5)	2,479.3	2,671.6	(192.2)

3. Guidelines for budget and FTES targets-as-goal are provided to Colleges

Emails were sent to College Deans in late January/early February 2024
- <u>budget information from December UBC was included</u>:
- second year of 5.0M permanent reduction FY 2024-25
- no additional lecturer budget reduction needed, cf. FY 2023-24
- <u>FTES targets-as-goal information from Institutional Analytics</u>:
- we sent Fall 2024 and preliminary Spring 2025 targets for AY 2024-25
- the focus was on building the Fall 2024 schedule
- Spring 2025 targets were sent for informational purposes

Colleges work with Departments to build the class schedule, but other offices check various things, such as:
- will student demand be met?
- how many classes are in-person?
- are planned offerings coming in within budget?

4. Adjustments are made and communicated as things change

- budget information changed at February UBC :
- second year of permanent reduction for AA in FY 2024-25 increased from $5.0M to $8.24M

- Colleges were asked **NOT** to further reduce the instructional budget:
- Fall 2024 class schedule was already built and was about to be published online (and student advising was next)
- the instructional budget reduction is already very large

- there remains a budget planning shortfall for FY 2024-25:
- 8.24M – 5.0M = 3.24M

FY 2024-2025 Budget and Planning Timeframes

Following the timeline below, the campus planning process will take about seven weeks. Units will receive continuous training and access to Q&A sessions during the planning process. These sessions will assist campus budget officers with the FY 2024 budget process in PBCS and address campus units' specific questions.

FY 2024-25 Budget Memo, 4.8.2024 | 4

Snapshot (Iteration)	Planning and Inputs	Reporting Snapshot
First Snapshot	April 8, 2024 - April 29, 2024	April 29, 2024 – 5:00 pm
Second Snapshot	April 29, 2024 - May 20, 2024	May 20, 2024 – 5:00 pm
Third Snapshot	May 21, 2024 - June 28, 2024	June 28, 2024 – 5:00 pm

5. University budget planning process – FY 2024-25

  - April 8 – 29: first snapshot
    - no additional lecturer budget reduction needed, cf. FY 2023-24
    - remaining 3.27M reduction needed
    - Academic Budget Director working with all AA units, incl. College CBOs
        - focus on salary roster corrections
        - checking to see if GSI allocation for FY 2024-25 is correct
    - budget meetings with each College and other AA units
  - April 29 – May 20: second snapshot
    - University adjustments
    - budget transfers across divisions
    - VSIP implementation?
  - May 21 – June 28: third snapshot
    - adjustments based on Governor's May revise
   - final budget to be completed before July 1

Thank you!

Questions?

Public Forum

Open to all guests and UBC members

Please:

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

- ✓ **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 our community members**
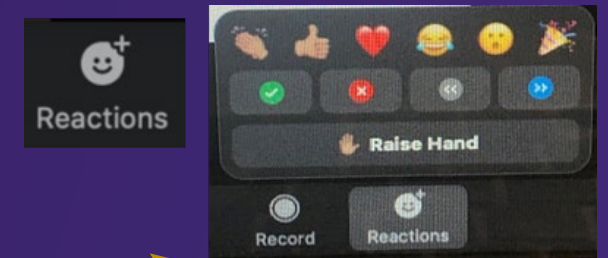
We appreciate your interest in our University's budget process and the service of our UBC members and guests, in support of our students and all our Gator families.

Check our UBC webpage for information, past meeting materials, meeting updates and how to contact the UBC

https://adminfin.sfsu.edu/ubc