



SAN FRANCISCO  
STATE UNIVERSITY

# University Budget Committee

April 22, 2022

## Welcome!

**UBC guests:** please ensure your full name shows

**All:** Please use the “raise hand” function for questions

**Public forum is at approx. 11:40 AM**

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

**Today's presentation will be posted to the UBC webpage**

**RSVP to [ubc@sfsu.edu](mailto:ubc@sfsu.edu) to attend UBC Office Hours tomorrow 10:00AM for Staff and Faculty/Mpps**

# **Welcome**

## **from UBC Co-Chairs**

**Jennifer Summit**

**Provost & Vice President  
Academic Affairs**

**Jeff Wilson**

**Vice President & CFO  
Administration & Finance**

# Share Your Thoughts

## UBC Meetings

Attend  
And participate  
in the public  
forum

## UBC Office Hours

Virtual  
UBC member &  
peer-hosted  
on Fridays  
after UBC

## By Email

[UBC@sfsu.edu](mailto:UBC@sfsu.edu)  
Shared with  
UBC Steering  
Committee

## Personally

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

## UBC Webpage

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

Click on the

**Feedback and Questions**

button

# UBC Office Hours

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

UBC MEETINGS	UBC OFFICE HOURS
Thursday, April 22, 2022 10:00 AM – 12:00 PM	For MPP/Faculty – Monday April 25, 2022 from 10:00 AM – 11:00 AM via Zoom For Staff – Friday, April 22, 2022 from 1:00 PM – 2:00 PM via Zoom
Thursday, May 19, 2022 10:00 AM – 12:00 PM	TBD

**RSVP to: [ubc@sfsu.edu](mailto:ubc@sfsu.edu)**

*All meetings take place via Zoom*

# AGENDA

- |   |               |
|---|---------------|
| 1. Member rollcall                          | UBC staff     |
| 2. Minutes Approval (Mar 17 meeting)        | Wilson        |
| 6. Updates/Informational Item:              |               |
| • IDC workgroup                             | Sivadas       |
| 7. Presentation                             |               |
| • Budget Review                             | Stoian        |
| 8. Action Item:                             |               |
| • 2 <sup>nd</sup> Reading: Budget Scenarios | Wilson/Stoian |
| 8. Public Forum                             | ALL           |

# Member Attendance

# Approval of Minutes

March 17, 2022

All past meeting minutes can be found on the UBC Webpage

# **IDC Workgroup: First Reading**

## **(Interim Report to the UBC)**

April 22, 2022

# The Workgroup

Dwayne Banks, Vice Provost for Academic Resources

Jennifer Daly, Personnel Manager, College of Liberal & Creative Arts

Michael Goldman, Professor of Biology

Eugene Sivadas, Dean, Lam Family College of Business (Lead)

Elena Stoian, Executive Director, Budget Administration & Operations

# IDC Workgroup Charge

- In May 2021, San Francisco State's Academic Senate passed a "Resolution on the Transparency in Recovery and Allocation of Indirect Cost" (RS21-422), calling for "a task force of stakeholders to be convened to review the current IDC allocation policy and consider if revisions should be recommended," and further "call[ing] on the University Budget Committee (UBC) to include IDC recovery and allocation policy as a budget literacy learning objective."
- Indirect Cost recovery (IDC) involves stakeholders from across the campus, and its review is a necessarily cross-divisional effort. In alignment with the Academic Senate Resolution, UBC will convene a workgroup to review the university's current policies and practices around IDC collection and allocation, alongside federal regulations relating to IDC and best practices from peer institutions, and propose recommendations for change, if warranted.

# Action Plan

1. Listening and Fact-Finding Sessions
2. We hoped to incorporate multiple perspectives and get a complete picture of IDC generation, allocation, and distribution policy
3. To provide recommendations to the UBC on drafting and efficient and equitable policy of IDC allocation and distribution among units

For today's presentation we will presenting the results of task (1) and (2) and our timeline for completion of task (3)

# Summary Findings Thus Far

(from our fact-finding mission)

- *Create an Improved Understanding, Transparency & Consistency in IDC Distribution (e.g., clarity in the allocation rule used for distributing IDC among different SFSU units)*
- *Clarify the Nature of ORSP (i.e., should ORSP remain as a stateside entity or should it be in the form of a 501(c)(3) organization or some hybrid configuration)*
- *Directly Address the Larger Issues (e.g., the role of research at SFSU, as well as its role in the tenure and promotion process)*

# Individuals Interviewed

- Michael Scott, AVP of Research and Sponsored Programs
- Sylvia Piao, University Controller
- Crystal Kam, CBO, CoSE and John Elia, Associate Dean, HSS
- College Deans
- Gretchen Le Buhn, Professor of Biology & Chair, URISCA
- Faculty Focus Group with active grant recipients.
- Health Equity Institute (RSO)
- Dr. Ganesh Raman, Chancellor's Office, AVC for Research
- Melissa Mullen, Chancellor's Office, Director of Sponsored Programs
- Tammie Ridgell, Associate VP of University Corporation
- Grant Administrators in ORSP
- Jeff Wilson, CFO at SF State

# What is Indirect Cost (IDC)

(for clarity of communication on the issue)

- Indirect cost is synonymous with overhead or facilities and administrative costs
- Every sponsored project has both direct and indirect costs
- Direct costs are those that are specifically and uniquely attributed to and billed to a particular project or activity and are allowable under the sponsoring organizations' guidelines
- Indirect costs, according to the federal Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards issued by the Office of Management and Budget (Uniform Guidance), are those costs that are incurred for common or joint objectives, and cannot be easily and specifically identified with a particular sponsored project, an instructional activity, or any institutional activity

# What is Indirect Cost (IDC)

## (continued)

- University indirect costs include building and equipment depreciation and use allowance; general administration; departmental sponsored programs and sponsored project administration expenses; interest; operation and maintenance expenses; library expenses; and student administration and services expenses
- IDC are not profits generated to the university; instead, they are part of the actual costs of conducting externally funded research activities on the university's premises. By collecting such costs from sponsors, the university is recovering its expenses
- The federal government has established what costs may be charged as direct and indirect costs

## FY 2020-21 IDC Data by Campus Unit

<b>Cabinet: Academic Affairs</b>	<b>Direct Costs</b>	<b>Indirect Cost</b>	<b>Total Cost</b>	<b>25% IDC Share</b>
Business	96,883.70	47,678.64	144,562.34	11,919.66
DUEAP	1,234,812.36	93,864.72	1,328,677.08	23,466.18
Education	1,986,647.21	110,188.56	2,096,835.77	27,547.14
Ethnic Studies	858,655.37	36,678.07	895,333.44	9,169.52
Extended Learning	8,762.44	3,737.56	12,500.00	934.39
Health and Social Sciences	5,051,141.44	687,666.18	5,738,807.62	171,916.55
Health Equity Institute	122,935.21	56,795.66	179,730.87	14,198.92
Liberal and Creative Arts	937,473.87	140,268.01	1,077,741.88	35,067.00
Science and Engineering	11,219,077.30	2,600,621.55	13,819,698.85	650,155.39
<b>Grand Total</b>	<b>21,516,388.90</b>	<b>3,777,498.95</b>	<b>25,293,887.85</b>	<b>944,374.74</b>

Note: The amounts listed for Science and Engineering above do not include the FY 2020-21 Estuary & Ocean Science Center (EOS) direct and indirect costs, since IDC is not returned to EOS; instead a fixed budget is allocated.

<b>AA CoSE Dept</b>	<b>Direct Costs</b>	<b>Indirect Cost</b>	<b>Total Cost</b>
Estuary & Ocean Science Center	2,623,098.49	668,291.69	3,291,390.18
<b>Grand Total</b>	<b>2,623,098.49</b>	<b>668,291.69</b>	<b>3,291,390.18</b>

# IDC-NR201 Actual Allocations by College

	FY2020-21	
Revenues *	4,307,802	
Allocation	Actuals	
Academic Affairs Admin	564,746.9	21.8%
College of Business	12,810.2	0.5%
College of Science & Engineer	663,946.9	25.7%
Tiburon Center	588,000.0	22.7%
Graduate College of Education	37,954.2	1.5%
College of Ethnic Studies	13,021.0	0.5%
Health and Social Sciences	176,544.8	6.8%
Col of Liberal and Creative Art Undergrad Ed & Academic	21,991.1	0.9%
Planning	4,073.5	0.2%
ORSP	502,200.0	19.4%
Academic Affairs Total	2,585,288.5	70.9%
Administration & Finance	1,050,000.0	28.8%
Student Affairs & Enroll Mgmt.	11,564.4	0.3%
Total	3,646,852.9	100.0%

Note:

Revenues one year in the rear

Allocation: use the transfer in account

# A&F Allocations of its IDC Share

<b>Services</b>	<b>%</b>
Budget & Labor cost distribution	11%
IT	7%
Fiscal	15%
Procurement	7%
Accounts Payable	15%
HR	44%

BAO website provides additional documentation about the services outlined in summary above.

<https://budget.sfsu.edu/budget-process-cost-recovery>

**Some Key Items that ORSP Spent IDC revenues on (FY 2020-2021)**

Tiburon Expenses	\$700,000
ORSP Budget	\$810,000
DTC Rent	\$390,000
Matching Funds	\$300,000
CoSE Startup	\$800,000

The College of Science and Engineering (COSE) generates the majority of IDC revenues and accounts for the majority of IDC expenditures, primarily on the Tiburon Center and Startup expenses for the faculty.

# Summary of Faculty Concerns

## (those most often cited)

- SF State University is an expensive place to do research, something that makes our grant proposals less competitive
- Lack of clarity exists as it pertains to the IDC splits between colleges, departments, and PI's
- Lack of clarity on how a college's share of IDC is distributed when there are co-PIs or joint projects conducted between faculty from different colleges
- Lack of clarity regarding what expenses are covered under IDC versus direct costs
- Lack of sufficient focus on research endeavors from SFSU's administration
- Lack of appreciation that research enhances student learning outcomes and is not an independent and disconnected enterprise
- There is a perception that ORSP being a stateside enterprise makes grant-seeking more expensive and less competitive
- Higher benefit costs make it challenging to hire post-docs and student assistants

# Summary of Faculty Concerns

## (continued)

- Due to restrictions on what IDC can be spent on, investigators have to spend out of pocket for purchasing office supplies and food for events.
- Grant funding, hence, IDC, is not consistent and predictable.
- So, an incentive exists for units to “save” funds for use in subsequent fiscal years. This leads to an ongoing concern that at some point in time the spending authority granted under these funds will subsequently be rescinded by the university.
- There is a perception that grant seekers are fighting against all odds to obtain grants, and university policies dampen the entrepreneurial spirit of faculty.
- ORSP is not receptive to small grants and grants that generated low IDC reimbursement. This constitutes an ongoing source of frustration for researchers.

# What Have We Learned Thus Far

- We must establish greater clarity on the role of post-docs and the support for grant funded research at SF State (e.g., as part of the university's teaching mission)
- For departments that rely heavily on a grant-funded activities, RTP standards need to be better aligned with the cost of pursuing such activities (i.e., formal acknowledgement of the level of effort in pursuing such activities)
- We need to establish greater clarity, with respect to carryforward policy for IDC that recognizes the budgetary challenges of carryforwards – as it pertains to the overall fiscal state of the university
- We need to clarify the role of ORSP, something that will determine the optimal level of resources committed to it (e.g., staffing), on an ongoing basis
- Obtaining clarity on the role of research at the university, as well as its incorporation into the RTP process, will provide greater clarity of the balance between research and teaching for current and prospective faculty members (i.e., it will elucidate expectations)
- A majority of faculty do not consider most CSUs as comparable institutions, given that their research portfolios are not as strong as SF State's. We need to articulate a clear research positioning that takes into account the mission and values of the CSU system, and our need to attract and retain talented faculty

# What have we learned Thus Far

## (continued)

- We need to assess the current model for funding start-up packages for science and engineering faculty, both the level of funding and its sustainability over the long run
- CSU campus exhibit a variety of organizational structures for ORSP, as well as management structures (e.g., elevation to a cabinet level position) with clear metrics of success
- The role of RSOs, clear expectations of their performance and their share of IDC distribution must be explored as we develop policies around these organizations
- IDC is oftentimes used for filling the funding gaps in discretionary expenses for colleges; greater clarity is needed within colleges on the allocation rules for allocating such expenses to departments

# What have we learned Thus Far

## (continued)

- The amount of IDC generated annually, as well as its allocation to units should be published on annual basis on the ORSP website. This would provide for more transparent and easier access to this information
- We need to explore the establishment of a mechanism in which the benefits costs associated with SFSU grant applications is reduced; thereby allowing for more competitive grant submission by PI
- The university needs to develop a long-term suitable and sustainable model for the Tiburon Center operation

- Form a committee within colleges to develop and codify college specific IDC distribution policies
- Department chairs and deans should report their IDC allocations and expenditures on an annual basis. This information should be widely disseminated within departments
- It is important to clarify the compliance rules with respect to allowable expenditures from IDC funds (e.g., can such funds be used for office supplies that are related to research activities)
- Train researchers to develop MOUs with colleagues from other departments and colleges; given that in co-authored grants, participating colleges, departments and investigators are entitled to a share of the IDC reimbursement

## **Solutions to Explore:**

## **Researchers**

- Within each department a document should be created that stipulates and clarifies the role of research within a department and how such research directly benefits students; emphasize the link between research, graduation, retention rates, job placements, graduate school admissions and graduate education offerings
- Document RSCA projects that enhance the visibility of the university, and broadly distribute such information (i.e., effective marketing communications)
- Align RTP standards with grant generating expectations that are commensurate with the current and future grant submission infrastructure of the university

**Solutions to Explore:**

**Department Chairs**

# **Solutions to Explore:**

## **Deans**

- Ensure that researchers sign MOU's, such that colleges, departments and individual investigator obtain their agreed upon share of IDC. This is of most importance at it pertains to the PI's share that is obtained from another college, center, institute, RSO or department
- Create a document that clarifies the role of research within departments and how such research benefits students (e.g., its impact on retention and graduation rates)
- Align RTP standards with grant expectations and the grant infrastructure available within the university
- Provide administrative support for grants generated and administered within the colleges. The ORSP grant administrators are not AOCs for the colleges
- Create a policy that differentiates grants that generate relatively low IDC rates, from those that generate higher rates. This should be a college specific policy

- Publish information of the ORSP website of the IDC amounts generated by each college, and these amounts were spent, by category
- On the ORSP website, define in clear and concise terms compliance issues regarding the purpose and use of IDC reimbursement
- Create a sample MOU that collaborators may utilize for drafting agreement on the allocation of IDC shares among research from different colleges and departments
- Create an explanation of the challenges of implementing grants that generate low IDC and the overall administrative cost impact of such grants

**Solutions to  
Explore:**

**ORSP**

# Next Steps



The consolidation of the information that we have obtained, in order to generate policy recommendations for the university.



Obtain feedback on various proposed transparency “solutions” identified for researchers, departments, and deans and ORSP



Suggest additional workgroups that may look at select issues.

# Member Dialogue

*At this time, questions from UBC voting and non-voting members only.*

# 2021-2022 Budget Review

Elena Stoian  
Executive Director  
Budget Administration & Operations  
Administration & Finance

1. 2021-2022 Winter Current Year Projection (CYP) Review
2. 2022-2023 Budget Planning Scenario Second Review

## 2021-2022 Winter Current Year Projection (CYP) Review

- Conducted as of January 31, 2022
- Required campus budget officers to project current year revenues and expenses based on actual performance as of January 31
- Allowed campus budget officers to adjust projected performance based on known conditions and variances for the rest of the year
- Included budget revisions for prior year commitments recorded as of June 30, 2022
- Retirement adjustments to state allocation are included

## Winter CYP – Campus Resources Total

In thousands

Resources	FY2021-22 Revised Budget	FY2021-22 Winter CYP	\$ Change Rev Bud CYP	% Change Rev Bud CYP
<b>General Fund Allocation</b>	<b>198,812</b>	<b>198,826</b>	<b>14</b>	<b>0%</b>
Higher Education Fees	174,754	166,039	-8,715	-5%
Revenue From Investments	1,250	1,207	-43	-4%
Other Financial Sources	10,481	10,833	352	3%
<b>Subtotal Revenues</b>	<b>186,485</b>	<b>178,079</b>	<b>-8,406</b>	<b>-5%</b>
<b>Total Resources</b>	<b>\$385,297</b>	<b>\$376,905</b>	<b>-\$8,392</b>	<b>-2%</b>

# 2021-2022 Budget Review

## Winter CYP - Campus Expenses Total

In thousands

Expenses	FY2021-22 Revised Budget	FY2021-22 Winter CYP	\$ Change Rev Bud CYP	% Change Rev Bud CYP
Salary & Wages	210,836	200,589	-10,247	-5%
Benefits	106,334	101,551	-4,783	-5%
Operating Expenses	17,371	16,374	-997	-6%
Utilities	7,271	6,648	-623	-9%
Risk Pool	7,801	7,459	-342	-5%
Financial Aid	45,840	45,863	23	0%
Net Transfers	1,309	1,381	73	5%
<b>Total Expenses</b>	<b>\$396,762</b>	<b>\$379,865</b>	<b>-\$16,897</b>	<b>-4%</b>

## Winter CYP – Campus

In thousands

	FY2021-22 Revised Budget	FY2021-22 Winter CYP	\$ Change Rev Bud CYP	% Change Rev Bud CYP
Total Resources	\$385,297	\$376,905	-\$8,392	-2%
Total Expenses <sup>(*)</sup>	396,761	379,866	-16,895	-4%
<b>Operating Income (Loss)</b>	<b>-\$11,464</b>	<b>-\$2,961</b>	<b>\$8,503</b>	<b>-74%</b>

Note: <sup>(\*)</sup> Expense Revised budget includes the prior-year encumbrances at \$ 3.3mil

# 2021-2022 Budget Review

## Winter CYP – Cabinets

In thousands

	FY2021-22 Revised Budget	FY2021-22 Winter CYP	\$ Change Rev Bud CYP	% Change Rev Bud CYP
Academic Affairs	157,203	148,915	-8,288	-5%
Administration & Finance	34,227	33,864	-363	-1%
Office Of The President	1,518	1,322	-196	-13%
Student Affairs & Enrollment Mgmt.	21,148	19,172	-1,976	-10%
University Advancement	5,641	5,327	-314	-6%
University Enterprises	2,143	2,050	-93	-5%

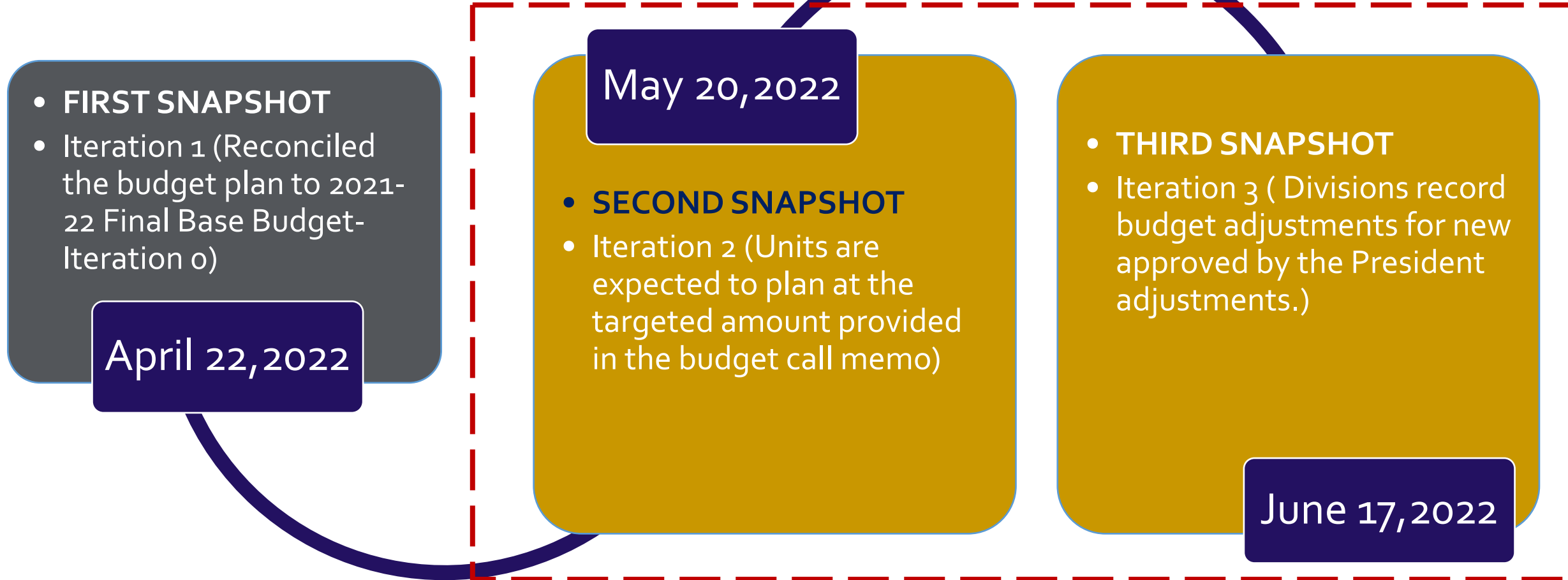
## How to address FY2022-23's scenario

In thousands

	Best case (-11.5%)	Medium case (-14.8%)	Worst case (-18.7%)
Resources (revenues)	\$376,900	\$370,100	\$363,200
Costs (expenditures)	380,900	380,900	380,900
<b>Surplus/(Deficit)</b>	<b>(\$4,000)</b>	<b>(\$10,800)</b>	<b>(\$17,700)</b>

The data set does not include the mandatory costs and CFA GSI ~13.3 million

## SF State Budget Planning Status



# 2021-2022 Budget Planning

## Budget Planning Framework

- Governor's January Proposal ( **Released On January 10th,2022**)
- CSU/Advocacy And Negotiations (**Ongoing**)
- Campus Scenarios Planning ( **UBC March 17, 2022**)
- Campus Units Planning
- Governor's May Proposal
- June State Budget
- Final Campus Budget

# Member Dialogue

*At this time, questions from UBC voting and non-voting members only.*

## Action Item

Should the UBC recommend to the President the scenarios presented?

## Next steps

President will direct Vice Presidents to plan according to recommended scenario. Iterations based on scenarios will be finalized in May.

## Resources (revenues) – State appropriation

Scenario	Budget
FY2021-22 Budget	\$198,812,000

## Resources (revenues) – Tuition and fees

Scenario	FY2021-22 Budget
FY2021-22 Budget	\$174,594,107

Scenario	\$ Adjustment	FY2022-23 Budget
1 – Good case (-11.5% to target; -6.1% to 21-22)	8,237,331	166,356,776
2 – Medium case (-14.8% to target; -9.4% to 21-22)	15,037,331	159,556,776
3 – Worst case (-18.7% to target; -13.5% to 21-22)	21,937,331	152,656,776

## Resources (revenues) – Other revenues

Scenario	FY2022-23 Budget
FY2021-22 Budget	\$11,731,224

## Resources (revenues)

Same state appropriation and other revenues with three tuition and fees scenarios.

Scenario	State Appropriation	Tuition and Fees	Other Revenues	Total
1 – Good case	198,812,000	166,356,776	11,731,224	376,900,000
2 – Medium case	198,812,000	159,556,776	11,731,224	370,100,000
3 – Worst case	198,812,000	152,656,776	11,731,224	363,200,000

## Costs (expenditures) Based on Winter Forecast

Component	FY2022-23 Budget
FY2021-22 Winter Forecast Expenditure Base	\$380,900,000
<b>FY2022-23 Total Costs</b>	<b>\$380,900,000</b>

<sup>1</sup> The state-funded salary actions and their mandatory costs are not included

## 2022 – 2023 Scenarios

	Best case	Medium case	Worst case
Resources (revenues)	\$376,900,000	\$370,100,000	\$363,200,000
Costs (expenditures)	<u>380,900,000</u>	<u>380,900,000</u>	<u>380,900,000</u>
<b>Surplus/(Deficit)</b>	<b>(\$4,000,000)</b>	<b>(\$10,800,000)</b>	<b>(\$17,700,000)</b>

## Action Item

Should the UBC recommend to the President the scenarios presented?

## Next steps

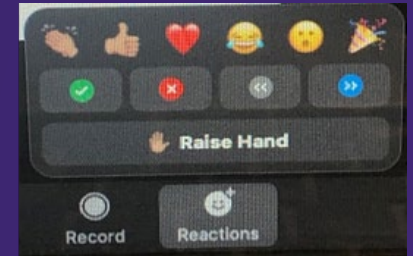
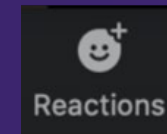
President will direct Vice Presidents to plan according to recommended scenario. Iterations based on scenarios will be finalized in May.

# Public Forum

*Open to all guests and UBC members*

Please:

- ✓ “Raise your Hand” (*found on your Reactions menu, lower right corner*)  
*Unmute yourself when called upon to speak. For transparency, please begin with your name, title/department. Mute when finished to reduce noise.*
- ✓ Limit to one 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 Gator families.*

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

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