



SAN FRANCISCO
STATE UNIVERSITY

University Budget Committee

August 25, 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 to attend UBC Office Hours tomorrow 10:00AM for Staff and Faculty/MPP's

Next UBC meeting

Tuesday, September 20, 2022

10:00 AM – 12:00 PM via Zoom

Welcome

from UBC Co-Chairs

Amy Sueyoshi

**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
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 OFFICE HOURS

For MPP/Faculty and Staff Sessions

Friday, August 26, 2022

10:00 AM – 11:00 AM via Zoom

RSVP to: ubc@sfsu.edu

All meetings take place via Zoom

AGENDA

- | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| 1. Welcome/Office Hours/Agenda Review | Wilson |
| 2. Member rollcall | UBC staff |
| 3. Minutes Approval (May 22) | Wilson |
| 4. President's Message | Mahoney |
| 5. Updates/Informational Item: | |
| • Enrollment Update | Lynch/Sujitparapitaya |
| • Budgetary Impact | Wilson |
| 6. BREAK (5 min) | |
| 7. 2022-2023 Budget Presentation | Stoian |
| 8. Upcoming Action Item – IDC Work Group | Sivadas |
| <i>(IDC Work Group Report and Recommendations: this is a final review for questions and comments and will be an action item in the September UBC Meeting)</i> | |
| 9. Public Forum ALL | |

Member Attendance

Approval of Minutes

May 22, 2022

All past meeting minutes can be found on the UBC Webpage

President's Message








Enrollment Update: Fall 2022 & CY 2022-2023





*University Budget Committee
August 25, 2022*





*By Sutee Sujitparapitaya
Associate Provost, Institutional Analytics*

*Katie Lynch
Senior AVP, Enrollment Management*

Fall Enrollment (Headcount) @ 1st Day of Instruction

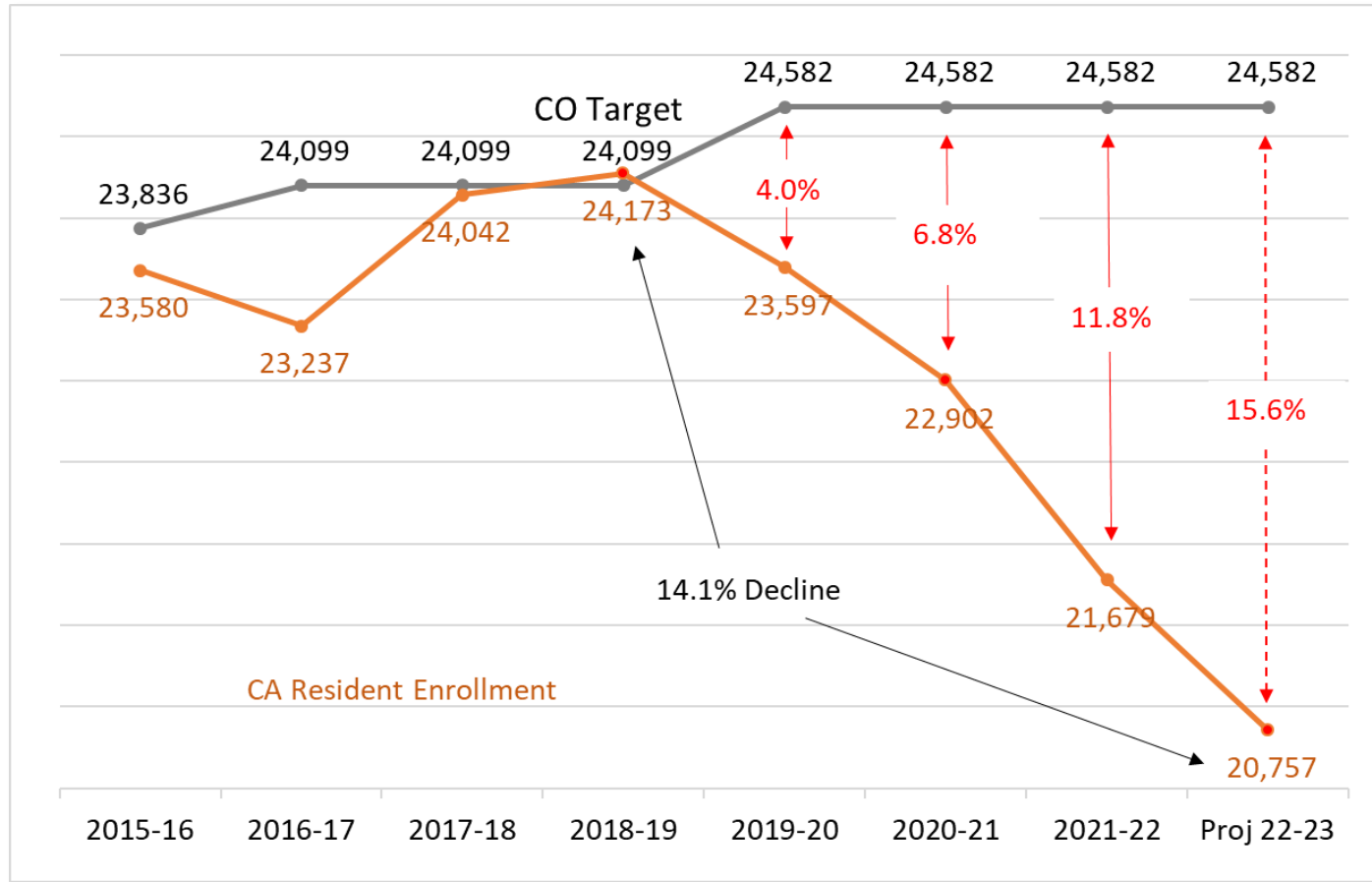
New Students	F20	F21	F22	Trend	F21 vs.F22	
1st Time Freshmen	2,803	3,095	3,271		176	6%
New UG Transfers	3,040	3,002	2,308		(694)	-23%
New Pbac	129	116	91		(25)	-22%
1st Time Graduates	1,010	1,100	920		(180)	-16%
Total	6,982	7,313	6,590		(723)	-10%

Continuing Students	F20	F21	F22	Trend	F21 vs.F22	
Undergraduates	17,653	16,549	15,692		(857)	-5%
2BA/Pbac	208	216	178		(38)	-18%
Graduates	1,763	1,854	1,911		57	3%
Total	19,624	18,619	17,781		(838)	-5%

Total	F20	F21	F22	Trend	F21 vs.F22	
Undergraduates	23,496	22,646	21,271		(1,375)	-6%
2BA/Pbac	337	332	269		(63)	-19%
Graduates	2,773	2,954	2,831		(123)	-4%
Total	26,606	25,932	24,371		(1,561)	-6%

CA Resident Enrollment (*FTEs*)

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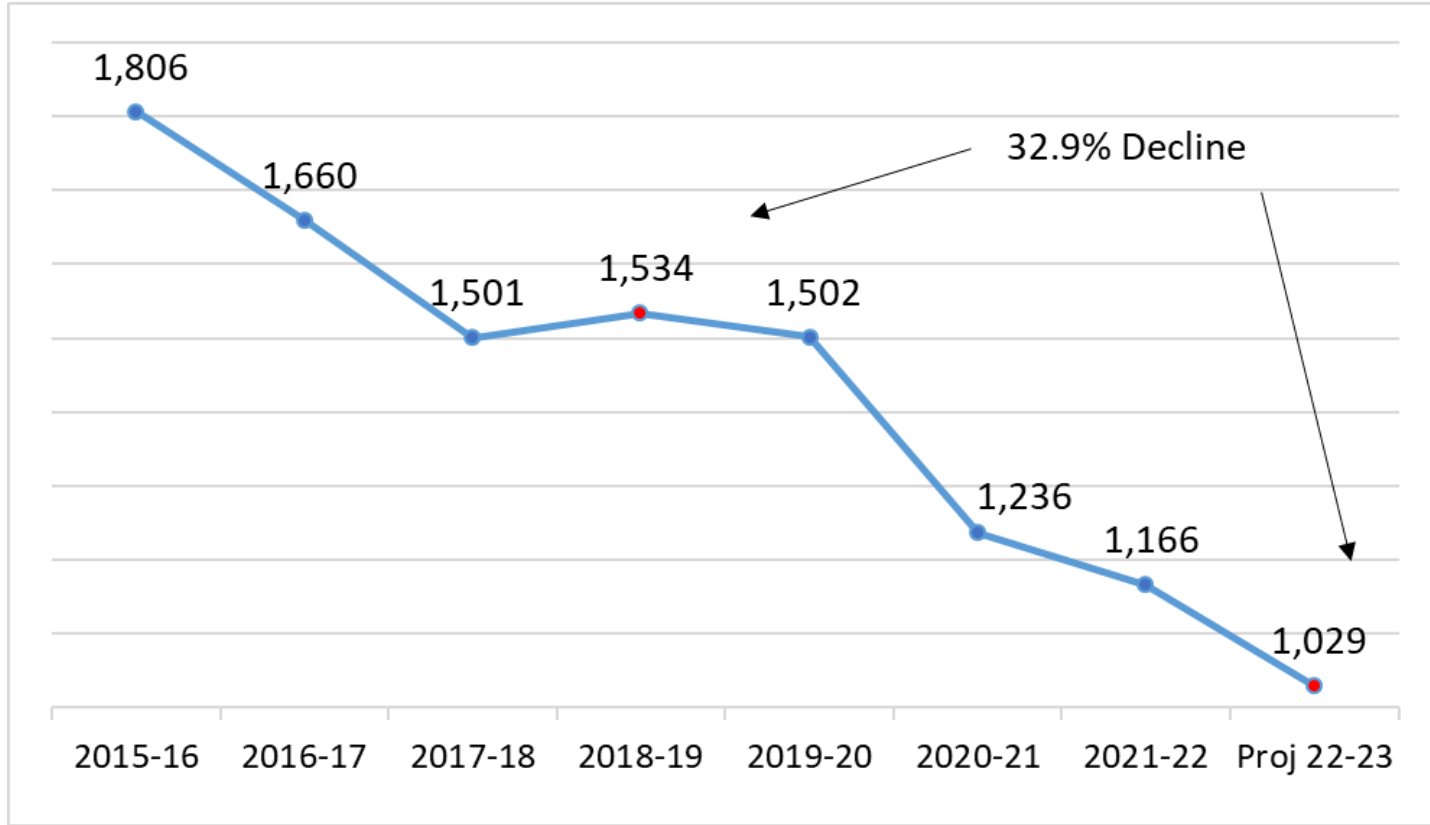
	CO Target	CA Resident FTEs	% +/- CO Res Target	% Change (Year to Year)
2015-16	23,836	23,580	-1.1%	
2016-17	24,099	23,237	-3.6%	-1.5%
2017-18	24,099	24,042	-0.2%	3.5%
2018-19	24,099	24,173	0.3%	0.5%
2019-20	24,582	23,597	-4.0%	-2.4%
2020-21	24,582	22,902	-6.8%	-2.9%
2021-22	24,582	21,679	-11.8%	-5.3%
Proj 22-23	24,582	20,757	-15.6%	-4.3%

- For CY 2022-23, it is projected to be about 15.6% below the CO assigned target.
- For the last 4 years (between 2018-19 and 2022-23), CA resident enrollment (FTEs) will decline 14.1%

- CO Target = Chancellor's Office assigned target for CA residents
- FTEs = Full-time Equivalent Students: 1 FTEs = 15 credits per semester for undergrads and 12 for graduates

Non- CA Resident Enrollment (FTEs)

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• Non-CA Residents = Outside CA Students + Internationals

	Non-Resident FTEs	% Change (Year to Year)
2015-16	1,806	
2016-17	1,660	-8.1%
2017-18	1,501	-9.6%
2018-19	1,534	2.2%
2019-20	1,502	-2.1%
2020-21	1,236	-17.7%
2021-22	1,166	-5.6%
Proj 22-23	1,029	-11.8%

- Non-resident enrollment continued to decline (6 out of last 7 years).
- Significant decline – 17.7% in 2020-21 alone *and* 11.8% this year.
- For the last 4 years (between 2018-19 and 2022-23), non-resident enrollment (FTEs) will decline 32.9%

Take Aways

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Undergraduates:

- First-time freshmen continued to grow for the last 3 years, while new undergraduate transfers expected to decline.
- Continuing undergraduates dropped significantly due to:
 - lower retention rates for juniors and seniors
 - decline in new undergraduate transfers

Graduates:

- New graduate enrollment declined this fall, while continuing graduates continued to increase for the last three years.

CA Residents:

- CA resident FTES anticipated to decline this year. For the last 4 years, the decline will be about 14.1%
- The 2022-23 enrollment is projected to be 15.6% below the CO assigned target.

Non-residents (*Outside CA students + Internationals*):

- Non-resident enrollment continued to decline (6 out of last 7 years)
- For the last 4 years, non-resident FTEs had declined 32.9%

Member Dialogue

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



San Francisco State University

We Make Great Things Happen

5 MINUTE BREAK

FY22-23 Campus Budget Review

- 2022-2023 CSU Budget Highlights
- 2022- 2023 SF State Budget Review
- Multi-Year Assessment

CSU 2022 – 2023 Budget Review

The following highlights are for the 23 campus CSU System:

\$365 million base increase (recurring funding)

- \$211 million for general operating costs
- \$154 million for CSU budget priorities and other recurring costs

\$1.1 billion in one-time investments

Recurring Funding for 23 campus CSU System: (in millions)

Sources	Trustees' Requested Increase	Final Budget Increase
State General Fund	\$673.0	\$365.4
Tuition from Resident Enrollment Growth <i>(only for campuses with enrollment growth; not SF State)</i>	42.5	42.5
Total Recurring Increases	\$715.5	\$407.9

CSU 2022-23 BUDGET HIGHLIGHTS

San Francisco State
Administration & Finance

Recurring Funding (cont'd)

(In millions)

Uses	Trustees' Increase Request	Final Budget Increase
Graduation Initiative 2025	\$75.0	\$35.0
Strategic Resident Enrollment Growth (not SF State)	129.8	123.5
Student Basic Needs	20.0	10.0
Unallocated Base Increase	490.7	211.1
Foster Youth Student Support	-	12.0
Other Specific Investments	-	16.3
Total Recurring Increases	\$715.5	\$407.9

One-time funds

(In millions)

Uses	Trustees' Request	Final Budget
Deferred maintenance and infrastructure	\$1,000.0	\$125.0
Other facility and infrastructure investments	-	404.8
Campus student housing projects (2020-21 CASH)	-	497.0
Other systemwide investments	-	13.0
Other campus-specific investments	-	42.2
Total One-time	\$1,000.0	\$1,082.0

Governor's Funding Compact¹ with CSU

- Five years (2022-23 Through 2026-27)
- 5% General Fund increase (**Note: without enrollment funding (i.e., tuition and fees for enrolled students) increase is 2.85%**)
- \$211 To \$257 million additional recurring funds per year (estimated)
- \$1.2 billion cumulative over five years

¹ compact here is defined as a formal agreement between two parties; see details at www.dof.ca.gov/wp-content/uploads/Programs/Education/CSU-Compact-May-2022.pdf

Governor's Funding Compact Goals for CSU

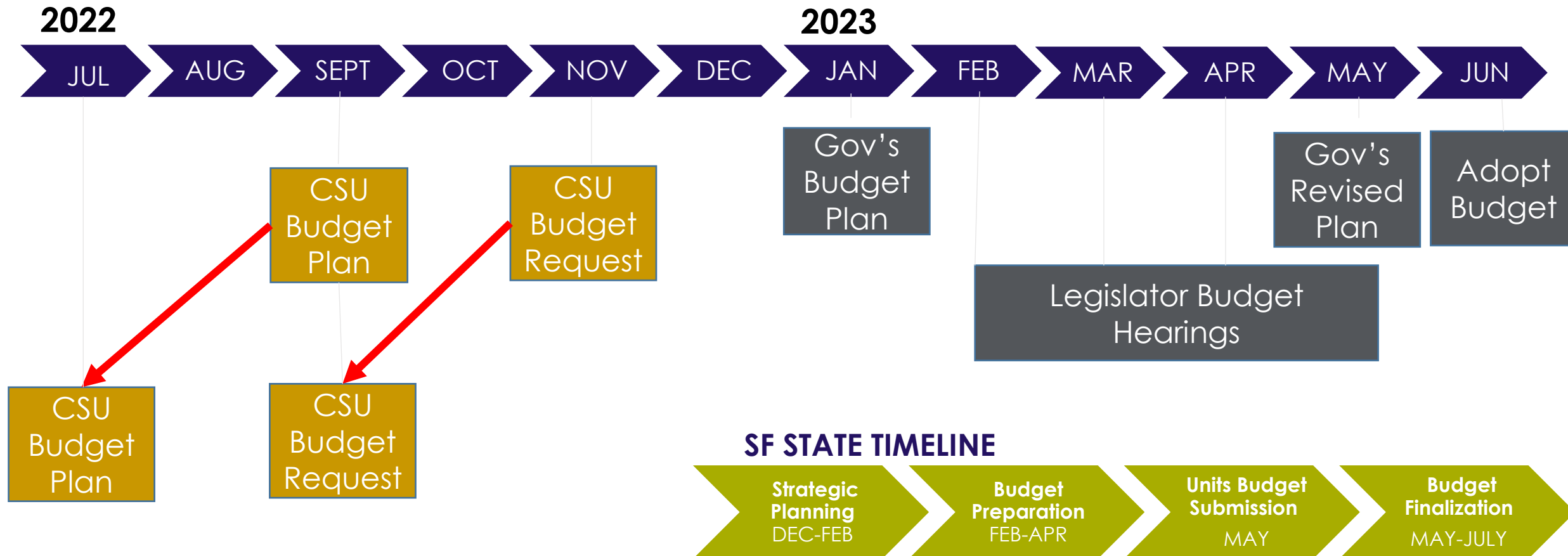
- Increasing access to the CSU (adding enrollment)
- Improving student success and advancing equity
- Increasing the affordability of a CSU education and on-campus housing
- Improving collaboration with Community College System and the University of California (e.g., technology, data sharing)
- Workforce preparedness and high-demand career pipelines
- Access to on-line course offerings

www.dof.ca.gov/wp-content/uploads/Programs/Education/CSU-Compact-May-2022.pdf

CSU 2023 – 2024 Budget Timeline

CSU 2023-24 CSU BUDGET TIMELINE

TIMELINE SHIFTS EARLIER



SF State 2022 – 2023 Budget Review

Recurring Funding

(In millions)

Uses	Budget
Graduation Initiative 2025 (TBD September 2022)	\$0.0
Strategic resident enrollment growth	0.0
Student basic needs (TBD September 2022)	0.0
Mandatory costs and compensation increase	20.6
Foster youth student supports	0.6
Total Recurring Increases	\$21.2

Changes for SF State (May to now)

1. Enrollment Growth

No changes from March Budget-memo (B-memo); **SF State received no funding for enrollment growth**

2. Graduation Initiative 2025 and Basic Needs

Will be allocated in a separate memo (September 2022)

3. Compensation Funding

Costs estimated over two years, funding distributed as a percent of the total per campus (Estimated CSU shortfall¹ is **\$43.8 million** permanent base (recurring) and **\$86.7 million** one-time; SF State shortfall is at **\$2.6 million** permanent base (recurring) and **\$4.7 million** one-time)

¹The shortfall is an estimate by the chancellor's office based on the CSU's general operating fund payroll; SF State's share of the shortfall is based its its percentage of the total CSU general operating payroll.

UBC's approved scenario from May 2022

(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
Surplus/(Deficit)	(\$4,000)	(\$10,800)	(\$17,700)

Note: This does not include the CO's final state allocation memo.

UBC's Approved Scenario – REVISED July 2022 (cont'd) (In thousands)

	Amount
Additional Resources	\$18,506
State Allocation (mandatory costs and compensation)	21,242
Decrease in Other Revenue (e.g., general fund reimbursements from self-supports, chargebacks)	-2,736
	Amount
Additional Expenses	\$24,406
Campus adjustments (personnel and operating expenses)	5,496
General Salary Increases (salaries and benefits)	18,910

UBC's Approved Scenario – REVISED July 2022

(In thousands)

Best Case (-11.5%)

Surplus/(Deficit) <i>[from approved scenario]</i>	(\$4,000)
Additional resources	18,506
Additional uses	24,406
Additional Surplus/(Deficit)	(\$5,900)
REVISED Surplus/(Deficit)	(\$9,900)

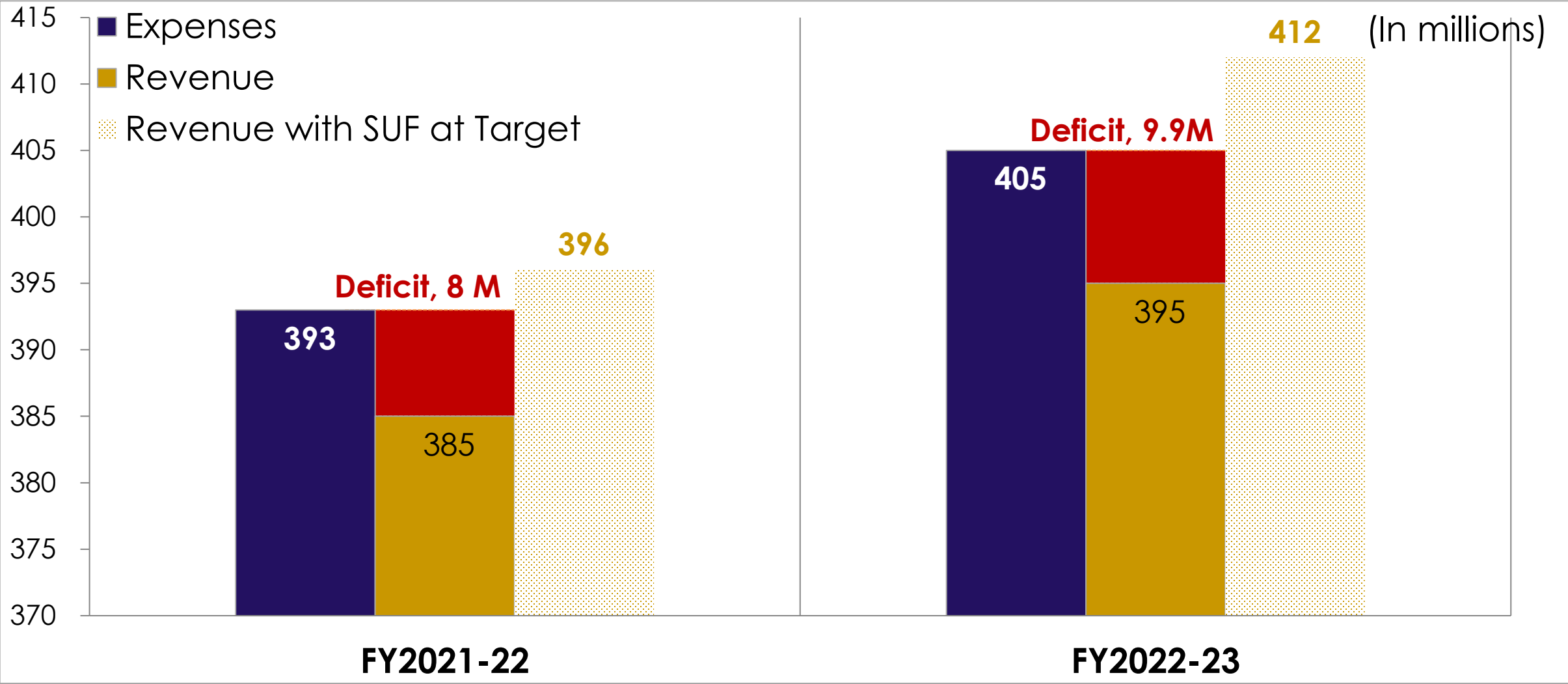
UBC's Approved Scenario – REVISED July 2022

(In thousands)

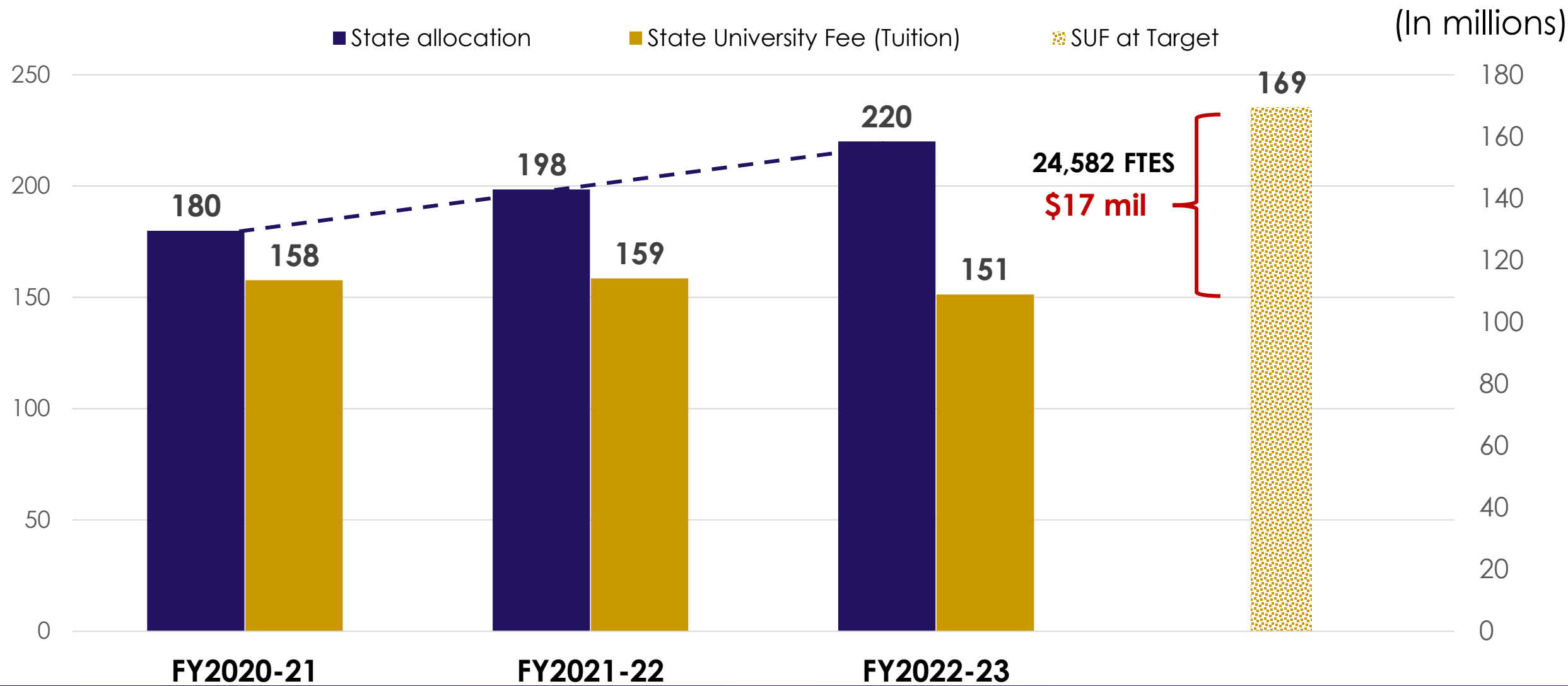
	Best case (-11.5%)
Resources (revenues)	\$395,406
Costs (expenditures)	405,306
Surplus/(Deficit)	(\$9,900)

SF State Multi-Year Comparisons

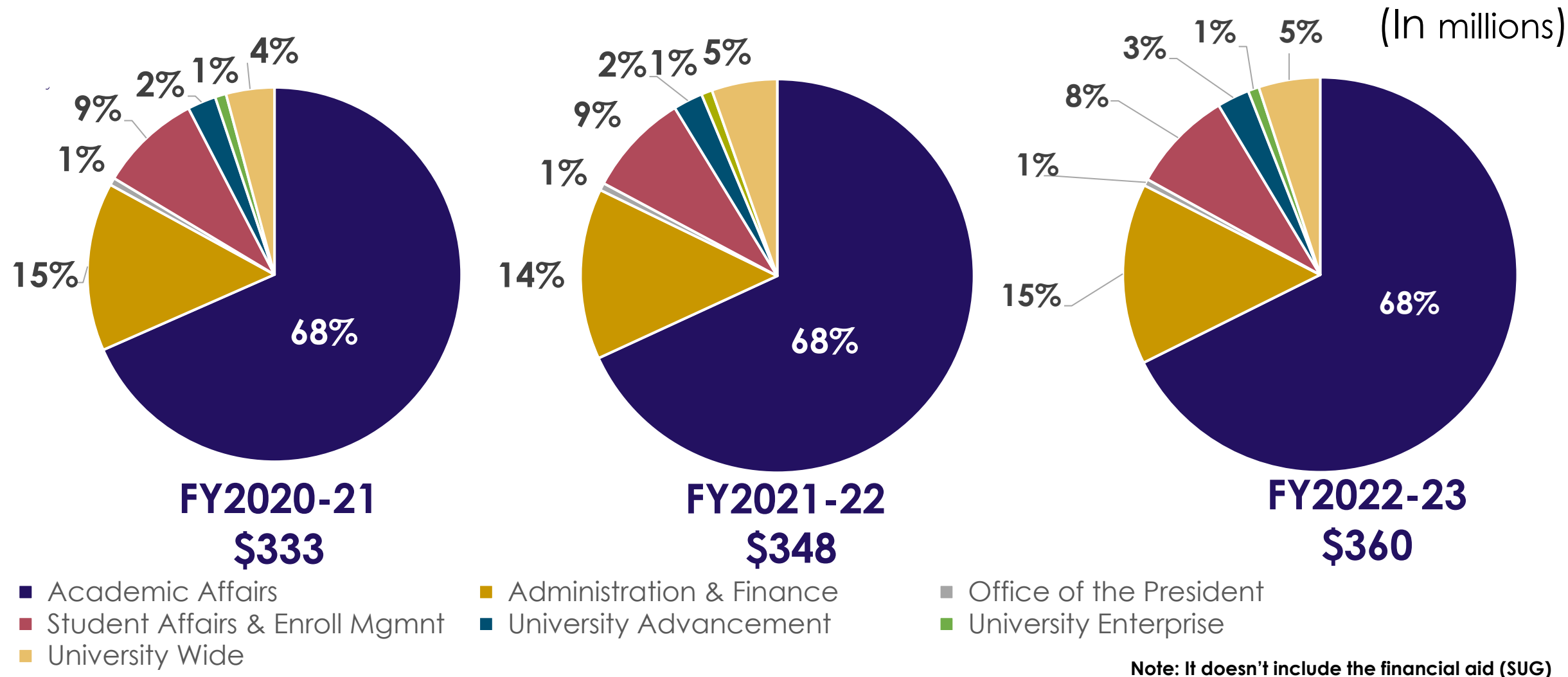
SF STATE 2021-22 TO 2022-23 GENERAL FUND COMPARISONS



SF STATE 2020-21 TO 2022-23 STATE ALLOCATION AND STATE UNIVERSITY FEE COMPARISONS

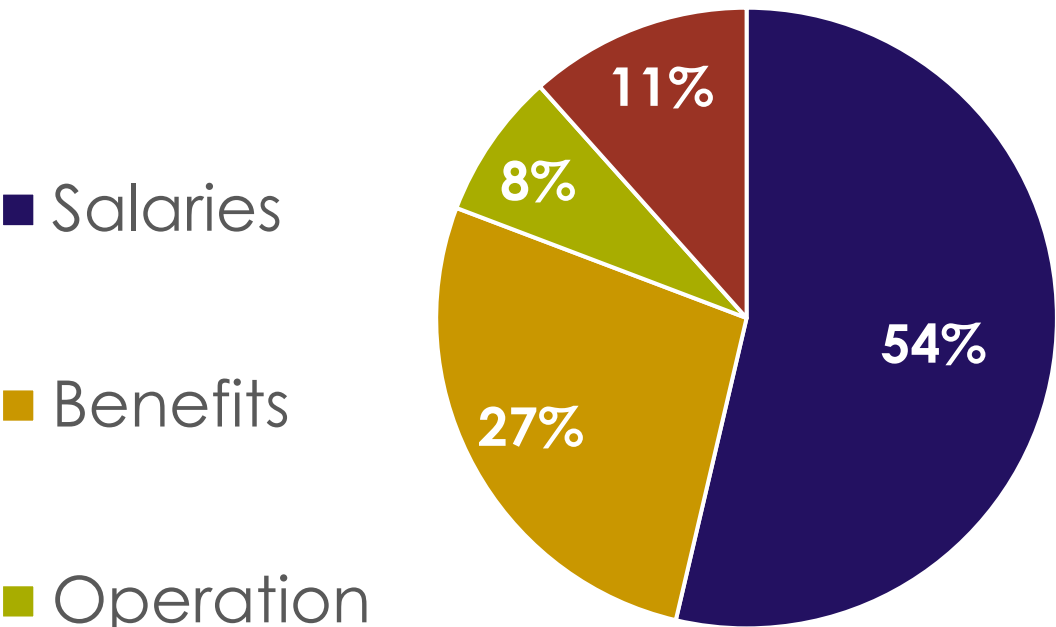


SF STATE 3-YEAR OPERATING BUDGET BY DIVISION COMPARISON – MINIMAL CHANGE

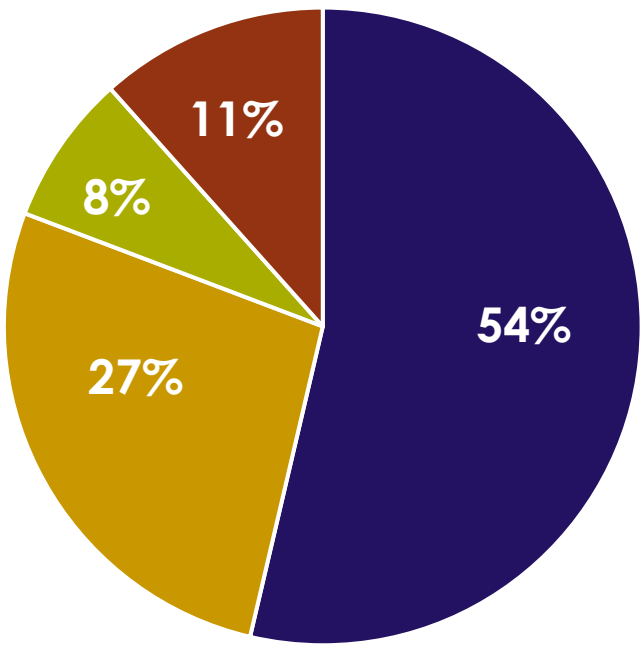


SF STATE 2-YEAR OPERATING BUDGET BY EXPENSE TYPE – NO CHANGE

(In millions)



FY2021-22
\$393 M



FY2022-23
\$405 M

- By monitoring and controlling our costs and using one-time funds cautiously, SF State can fund its 2022-23 budget.
- For 2022-23, SF State's budget relies on one-time funds (reserves) to fund its operations.
- Additional declines in enrollment and related decreases in tuition and fee revenue must be addressed in future years.
- Divisional leadership and budget officers should follow their expenditure plans.
- Adjustments will be considered in quarterly financial reviews (Fall, Winter)

Contact Us at:



Budget Administration and
Operations



Phone
415-338-1463



Email / Website

<https://budget.sfsu.edu/>

Member Dialogue

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

Indirect Cost (IDC) Workgroup

Sivadas

RECOMMENDATIONS

- The focus groups and interviews revealed that transparency in IDC allocation was a major issue. We believe this problem is fixable. The Provost's office and faculty at large should ask department chairs and deans to do an annual report on a) how much IDC they received, and b) what it was spent on. On their website, ORSP should publish information on IDC generated by each college and what it was spent on. This will increase transparency.
- In keeping with federal guidelines, clarify what IDC can and cannot be spent on, and communicate this effectively to the faculty. It is also necessary to define the restrictions on direct cost funding; for instance, the extent to which it can be used to cover office expenses related to research.
- ORSP needs to create and publish on its website a basic explanation of IDC and its purpose; as well as provide clear guidance on the restrictions involved in the disbursement and spending of such funds. Departments need to communicate this information to their faculty.

RECOMMENDATIONS (cont.)

- Colleges should develop policies to distribute a certain IDC percentage to individual investigators. We recommend a certain percent of the 25 percent be returned to PI's, as many are frustrated that their grant-seeking efforts are not being recognized or rewarded. It is important to note the absence of merit pay at SF State.
- Train researchers to develop MOUs with colleagues from other departments and colleges. The participating colleges, departments, and investigators are each entitled to a share of the IDC reimbursement in co-authored grants. Make such an MOU a requirement. ORSP can create a simple sample MOU template that collaborators can utilize to divide IDC accrued if they are from different colleges or departments. Ensure that researchers sign MOUs so that departments, colleges, and individual investigators or the RSO (if an RSO generates research) within the Department are allocated the amount they are entitled to.

RECOMMENDATIONS (cont.)

- Create a workable carryforward policy for IDC. The rationale for providing colleges, departments, and PI with a percentage share of the IDC that is generated through their grant writing efforts, incentivizes and develops a grant-seeking and RSCA ecosystem at the university. Moreover, colleges that are currently generating significant grant activity (COSE and HSS) also have significant carryforwards (Table 9) that they are accruing across multiple fiscal years. Therefore, it is clear that IDC funds are not being deployed and reinvested for RSCA purposes. Just the contrary, they are being treated as “rainy-day funds”. The logic is that these funds can be used to finance one-time unexpected expenses, in times of fiscal crisis. However, from the University’s perspective it would appear that during the current period of budgetary challenges, some colleges are not spending the funds they have been allocated to cover needed one-time expenses. While some IDC funds are being used to cover RSCA related expenses, such as start-up packages for new faculty, these funds can be used for other purposes as well. Hence, with respect to carryforwards, the following questions need to be addressed:
 - How much in IDC carryforward funds should a college be allowed to hold unspent.
 - What should happen to current balances in IDC carryforward funds, and should colleges have well defined plans for spending such funds on an annual basis?
 - Should there be spending restrictions on the uses of IDC carryforward fund balances?

RECOMMENDATIONS (cont.)

- We recommend that the carryforward amounts not exceed one to two years of IDC accruals for the College (see Table 4 to get an idea of the amounts). A defined nominal amount is impractical, given that the vast majority of IDC generated and amounts carried forward are generated by two of the six colleges: it is better to create a formula that takes into account the extent of grant activity. The table below illustrates the scenario if we were to adopt a carryforward limit no greater than one year of IDC.

	FY IDC Generated	Carryforwards	Total in IDC Account	1-3 Year Investment Plan
College A	\$300,000	\$500,000	(300,000+500,000)	Plan to have accrued balances no greater than \$300,000-\$600,000.

RECOMMENDATIONS (cont.)

- We recommend that colleges create an investment plan using a three-year time frame for amounts that exceed the agreed upon 1-2 multiple of IDC generated in either of the preceding three years (take the highest amount). It must be noted, however, that in a given fiscal year some level of carryforward funds will occur – due to grant funding cycles and the university's funding model for the dispensation of funds generated.
- During this inquiry, several RSCA active faculty have expressed their beliefs that the university does not adequately support RSCA activities. The large balances in carryforwards provide a golden opportunity for colleges to provide more RSCA support to their faculty. It is for this reason, that we recommend that the amount of IDC funds that have accrued over the years as carryforward be reinvested by the colleges to support RSCA activities for their faculty. This would clearly offset some of the concerns that have been expressed by RSCA activity faculty within their colleges we have heard complaints from RSCA active faculty that the University is not adequately supporting RSCA activities. The large balances in carryforwards provide a golden opportunity for colleges to offer more RSCA support to their faculty.
- We recommend that maximum flexibility be afforded to colleges in determining their spending priorities, with respect to carryforward amounts to be spent over a three-year window (e.g., RSCA support, instructional support, equipment purchase and maintenance, part-time faculty hiring, hiring of teaching assistants). We further recommend, that if funds are not voluntarily used for the purposes specified in the three-year investment window, then a given percentage of the funds will be reallocated by Academic Affairs for other academic purposes.

SUGGESTIONS FOR ADDITIONAL WORK GROUPS

- San Jose State has elevated its ORSP to a cabinet-level position. Given the current amount of grant money generated, the AVP status for the ORSP head seems appropriate. It is unclear whether elevating ORSP to a cabinet-level position has resulted in greater emphasis on RSCA and given a boost to grant-seeking activities at SJSU. We recommend a workgroup take a closer look at this issue.
- Given that our IDC rates are higher than other CSUs create a task force to look at whether post-awards can be separated from pre-awards to reduce the cost of grant-seeking. In most CSUs, post-awards are handled by an auxiliary UCorp-like unit.
- Due to our funding model derived from the California Master plan, the university is not funded for RSCA the same way as the UC system. The University's resources are limited and primarily directed toward its teaching mission. Therefore, both given the higher base IDC rates at SF State compared to other CSUs that we studied and given that most CSUs manage the post-awards using a 501c(3) organization, further study needs to be done as to whether the ORSP should become an independent 501c(3) organization. A workgroup should analyze whether this would bring down the IDC costs and allow faculty members who are research-oriented the opportunity to conduct research (at the level they so choose, subject to the University's administrative labor agreements). Doing so would bring expectations in line with available faculty research-generated resources. There appears to be a perpetuation of a belief that a more robust research ecosystem can be developed and sustained at SFSU, while the funding for this may not exist.

Member Dialogue

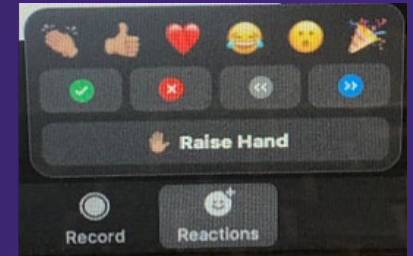
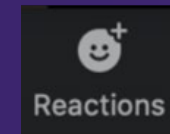
At this time, questions from UBC voting and non-voting members only.

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.

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

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