



SAN FRANCISCO
STATE UNIVERSITY

University Budget Committee

Thursday, December 17, 2020

Welcome from UBC co-chairs

Jeff Wilson

Interim Vice President & CFO
Administration & Finance

Jennifer Summit

Provost and Vice President
Academic Affairs

Today's Agenda:

OPENING

- | | |
|---|---------------------------|
| 1. Welcome | Co-Chairs Wilson & Summit |
| 2. Approval of minutes from November 19, 2020 | VP Wilson |
| 3. Opening remarks from President Mahoney | President Mahoney |

BUDGET TRANSPARENCY

- | | |
|-----------------------------|------------------|
| 4. Budget political context | Noriko Lim-Teppe |
|-----------------------------|------------------|

PRESENTATIONS

- | | |
|---|----------------|
| 5. Academic Affairs; Portfolio of Imperfect Options | Provost Summit |
|---|----------------|

UPDATES AND INFORMATIONAL ITEMS

- | | |
|----------------------------|--|
| 6. (none for this meeting) | |
|----------------------------|--|

ACTION ITEMS FOR THE COMMITTEE

- | | |
|---------------------------------------|---------------|
| 7. UBC RSO Workgroup (second reading) | Genie Stowers |
|---------------------------------------|---------------|

PUBLIC FORUM (15 minutes; three-minute limit per speaker)

ADJOURNMENT (next meeting, Thursday, 17, 10:00 AM –12:00 PM)

Approval of November 19th Meeting Minutes

(Members, please request an edit or
state your motion to approve)

Opening Remarks

President Lynn Mahoney

Budget Transparency topic:

Budget political context

Noriko Lim-Tepper
Interim Chief of Staff
Office of the President



SAN FRANCISCO
STATE UNIVERSITY

CALIFORNIA'S FISCAL OUTLOOK & CSU BUDGET ADVOCACY

Thursday, December 17, 2020

STATE OF CALIFORNIA (STATE)

The State of California has experienced a rapid but uneven recovery.

- August and October, collections from personal income, corporation, and sales taxes so far in 2020-21 have been 22 percent (\$11 Billion).
- There has been stable employment for high income workers who account for a large share of state tax payments.
- Resulted in an estimated \$26 billion one-time windfall for the State to spend in 2021-2022.

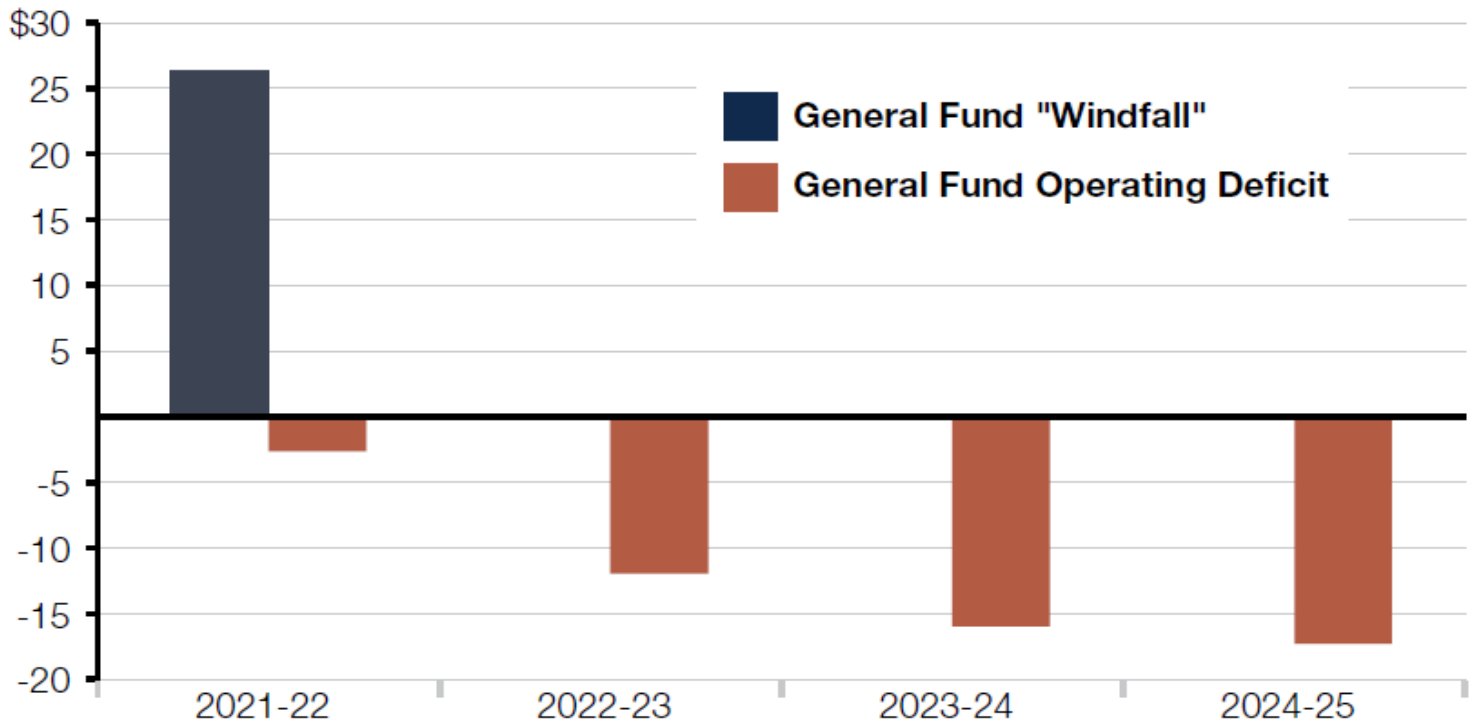
STATE OF CALIFORNIA (STATE)

The State's uneven recovery:

- The State has experienced, at its highest, a 16% unemployment rate and has paid \$109 billion in unemployment benefits as of November. Which could increase as the pandemic continues.
- The LAO has projected that State expenditures will grow by 4.4% each year resulting in a \$17 billion deficit by 2024-25.
- LAO has recommended that Governor Newsom and the Legislature allocate \$13B of the \$26B into the State's reserve.
- California will receive 327,000 doses of the new Pfizer COVID-19 vaccine in mid December.

STATE OF CALIFORNIA 2021-2025

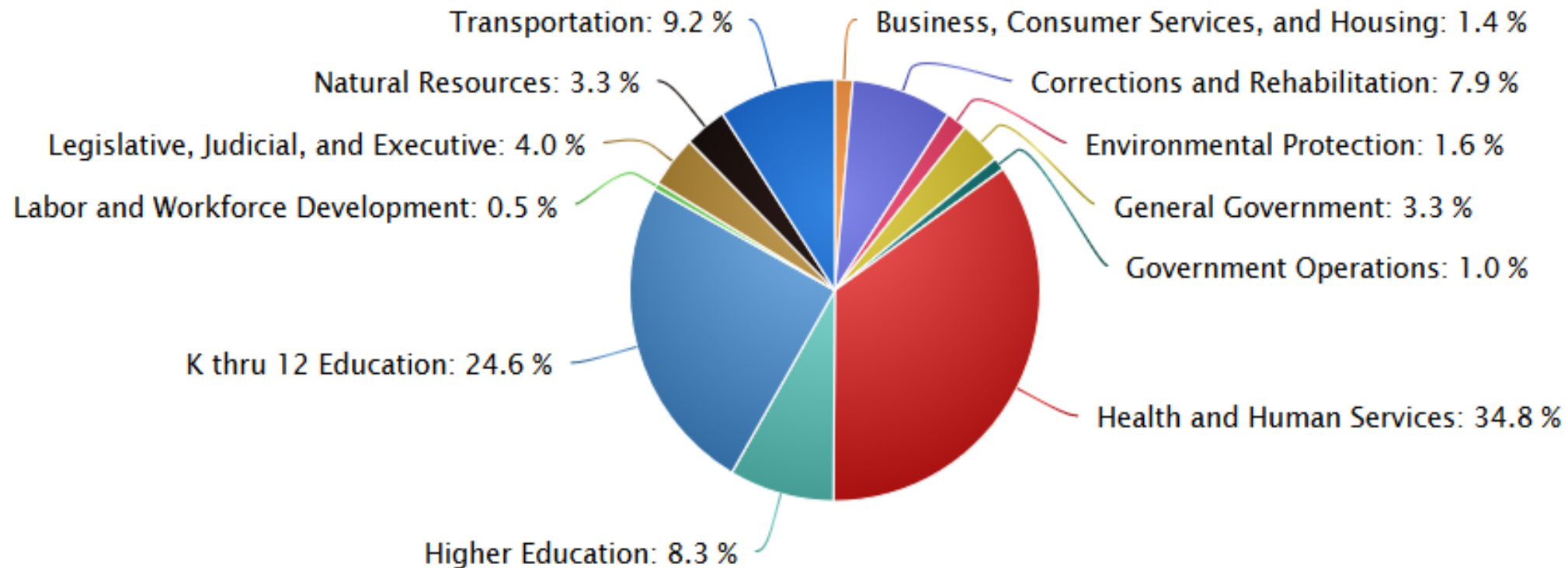
**Under Main Forecast,
Operating Deficits Grow Over Multiyear Period**
(In Billions)





2020-2021 CALIFORNIA STATE BUDGET

Total State Funds Total \$202 Billion





2021-2022 CSU STATE ADVOCACY

The CSU's approach to advocacy is centralized.

- The trustees confirm the annual budget ask to the legislature.
- The 23 Campuses must take the position of the Chancellors Office on any legislation and may not advocate for budget resources outside the CSU budget ask.
- The Chancellor's Office creates the system's advocacy strategy and designates the campus delegation based on its service area.

Campuses have the flexibility to contact members of their delegation on approved advocacy-related issues and to build relationships.

- San Francisco State Government Relations engages in year-round State and Federal advocacy.
- We meet with regional leaders in the business and policy sector.
- For the 2021-2022 budget year, advocacy has started in October 2020 - July 2021.



2021-2022 CSU STATE ADVOCACY

TABLE 3: SOURCES AND USES OF FUNDS

SOURCES OF FUNDS

General Fund Increase		\$556,020,000
Operating Budget	506,020,000	
Academic Facilities and Infrastructure	50,000,000	
TOTAL NEW SOURCES		\$556,020,000

USES OF FUNDS

Graduation Initiative 2025		\$150,000,000
Highest Campus Priorities	135,000,000	
Basic Needs Initiative	15,000,000	
Restoration of 2020-21 General Fund Reductions		299,043,000
Academic Facilities and Infrastructure		50,000,000
Mandatory Costs		56,977,000
Assembly Bill 1460 Ethnic Studies Requirement	16,500,000	
Health Benefits	23,782,000	
Maintenance of New Facilities	11,336,000	
Minimum Wage	5,359,000	
TOTAL NEW USES		\$556,020,000

USES OF FUNDS



- Graduation Initiative 2025
27%
- Restoration of 2020-21 General Fund Reductions
54%
- Academic Facilities and Infrastructure
9%
- Mandatory Costs
10%

- The CSU never gets 100% of the budget ask.
- We will know how close or how far we are from our ask when Governor Newsom releases his January budget.
- Please note that the requested amount for the Basic Needs Initiative has increased from \$15 million to \$30 million.



STATE OFFICIALS

CALIFORNIA SENATORS



SCOTT WIENER (D-11)



JOSH BECKER (D-13)

CALIFORNIA ASSEMBLYMEMBERS



KEVIN MULLIN (D-22)
SPEAKER PRO TEMPORE



PHIL TING (D-19)



DAVID CHIU (D-17)



MARC LEVINE (D-10)



San Francisco State University

A Portfolio of Imperfect Options: follow-up considerations

Fall 2020

Teddy Albiniaak
Chair
Academic Senate

Jennifer Summit
Provost & Vice President
Academic Affairs



Budget overview and timeline

Summer 2020:

- Following a steep cut in campus allocation and drop in enrollment, each cabinet area was asked to reduce its budget by 10%
- Academic Affairs covered the reduction largely with one-time carryforwards and limited cuts; now we must find long-lasting solutions that sustain permanent reductions
- Academic Affairs Council and Academic Senate Executive Committee convened to develop "Portfolio of Imperfect Options," identifying possible solutions; task forces for faculty work assignment equity and RSO (Research Service Organizations) funding models also formed

January 2021:

- Governor will release preliminary budget proposal for FY 2021-22: together with new student applications (submitted mid-December), this will be the first indication of our 21-22 budget expectations



Budget overview (cont.)

Key take-aways:

- Making up for this year's 10% cut, Academic Affairs projects a shortfall of roughly \$3.8M next year, but we'll have a more accurate estimate in Jan 2021
- While the university was hurt by the reduction in our state allocation and drop in enrollment, Academic Affairs was already working under a structural deficit; our cost reductions, then, should both address our budget shortfall and correct the structural deficit in order to create long-term sustainability
- The "Portfolio of Imperfect Options" lists areas of significant potential savings: while no single option will solve our fiscal challenges, the right combination of options will likely do so, if calibrated at the right levels and followed up with careful monitoring and assessment
- SF State has exceptionally strong academic programs and remarkable, world-class faculty who are passionately committed to our mission; our goal should be not simply to survive this crisis but to draw on our strengths and build a solid foundation for our future thriving



How will AA realign its costs and budget?

Process and timeline

Summer 2020

Academic Affairs Council and Academic Senate Executive Committee Produce “Portfolio of Imperfect Options”

Fall 2020

Chair Albiniak and Provost Summit gather feedback from:

- Department Chairs
- College Councils
- Associate Deans
- Academic Senate
- Open forums
- UBC (University Budget Council)

End of Fall 2020

AA Council and Academic Senate Ex Comm review feedback, refine “Portfolio of Imperfect Options,” and plan implementation

End of Fall 2020/Beginning of Spring 2021

Provost issues directive memo with guidelines, goals, and benchmarks, as well as assessment measures



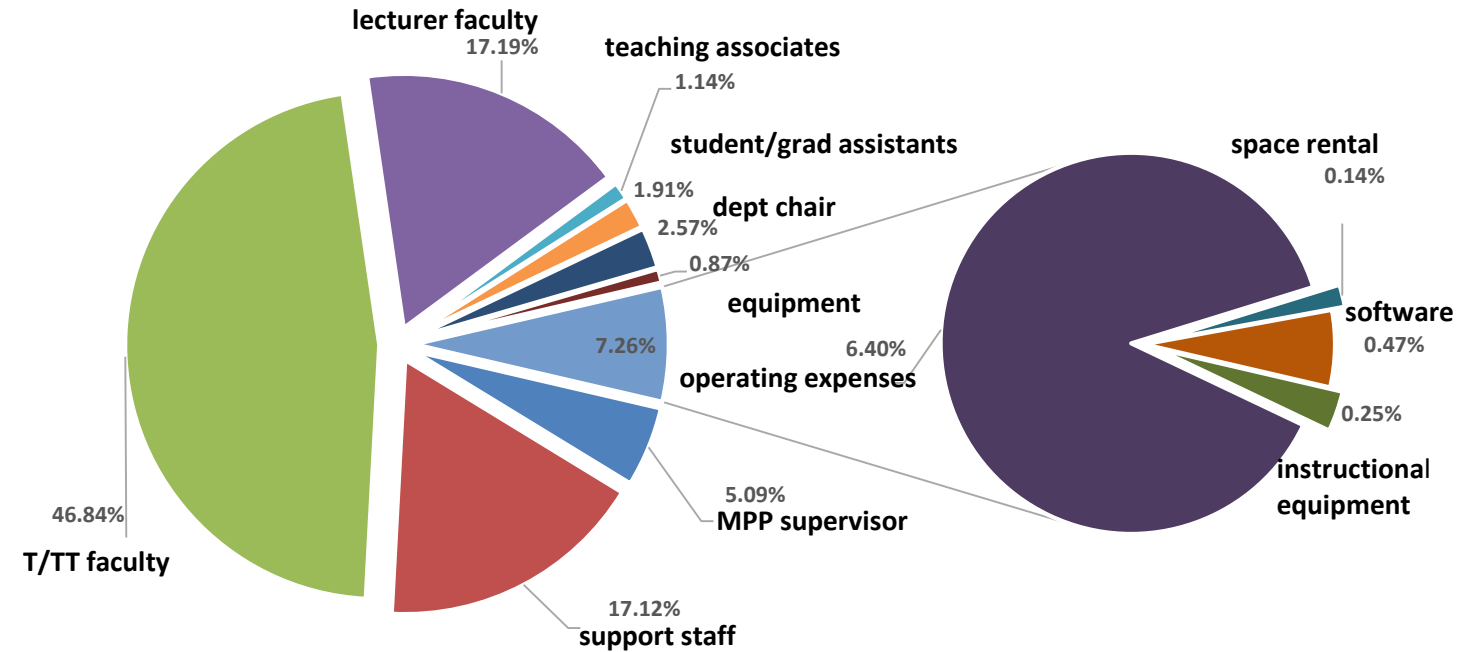
Preliminary Estimate: Academic Affairs Budget Gap for FY2021-22

Preliminary estimated budget gap (FY2021-22)	\$11.0M**
Budget reduction actions (impacts on budget)	
Staff layoffs (assume full year)	\$1.7M
MPP layoffs (assume full year)	\$.56M
Faculty retirements and resignations (estimate based on prior year)	\$4.6M
suspension of presidential awards	\$0.30M
Budget reduction efforts (sum of impacts)	\$7.2M
Total amount by which budget gap is reduced	\$7.2M
Remaining budget gap to be filled for FY2021-22	\$3.8M

**Estimated by adjusting the FY2020-21 base budget of \$151.9M to \$155.5M to reflect the carryforward funds and other budget adjustments that were utilized to supplement the base (e.g., \$6.7M for FY2020-21 lecturer expenditures, operating expenses supplement, savings from retirements and resignations). To estimate the FY2021-22 budget we anticipate a further 5% reduction in the FY2020-21 base budget, leaving a preliminary working budget estimate of \$144.5M for FY2021-22. The FY2021-22 funding gap reflects the difference between \$155.5M and \$144.5M.



Academic Affairs Actual Expenditures FY2019-2020



T/TT faculty salaries	\$80.5M
Lecturer faculty salaries	\$29.5M
MPP salaries	\$ 8.7M
Department chair salaries	\$ 4.4M
Support staff salaries	\$29.4M
Student/grad assistants	\$ 3.3M

Total \$171.84M

Teaching associates	\$ 2.0M
Equipment	\$ 1.5M
Instructional equipment	\$ 0.428M
Operating expenses	\$11.0M
Software	\$ 0.815M
Space rental	\$ 0.235M



Portfolio of Imperfect Options

Reduce Administrative Costs

1. Reduce MPPs
2. Re-engineer/ eliminate costly processes
3. Consolidate offices and functions
4. Share resources
5. Reduce RSOs' general fund administrative costs
6. Reduce consultants

Reduce Instructional Costs

1. Develop system of sustainable curriculum delivery
2. Rethink faculty workload balance
3. Thoughtfully increase class size and enrollments
4. Coordinate and consolidate GE offerings
5. Assess assigned time
6. Assess low-enrolled and duplicative programs



In progress: Administrative Cuts in Academic Affairs

Reduce Administrative Costs

1. Reduce MPPs

- In progress through spring 2021

2. Re-engineer/ eliminate costly processes

- Develop cross-cabinet staff task force to identify opportunities

3. Consolidate offices and functions

4. Share resources

- #3 and #4 underway following redefinitions of work after staff layoffs and vacancies

5. Reduce RSOs' general fund administrative costs

- Pending recommendations from UBC task force (second reading, 12/17)

6. Reduce consultants

- Currently assessing spending and identifying opportunities to reduce



For discussion: instructional savings

Reduce Instructional Costs

1. Develop system of sustainable curriculum delivery
2. Rethink faculty workload balance
3. Thoughtfully increase class size and enrollments
4. Coordinate and consolidate GE offerings
5. Assess assigned time
6. Assess low-enrolled and duplicative programs

Instructional cost savings =

- Reduce overall number of sections taught
- Prioritize sections that students need



Actions to consider:

Reduce Instructional Costs

1. Develop system of sustainable curriculum delivery
 - *Short-term interim solution:* limit non-required courses, prioritize student enrollment need
 - *Longer-term, lasting change:* promote curriculum redesign to minimize overall number of sections and prioritize teaching in sections/areas that are required for student degree progress
2. Rethink faculty workload balance
 - *Pending recommendations from faculty work assignment equity task force:* establish consistent and transparent accountability for WTUs devoted to research and service
 - *Pending recommendations from faculty work assignment equity task force:* establish guidelines supporting equitable distribution of teaching assignments
3. Thoughtfully increase class size and enrollments
 - *Short-term interim solution:* increase class sizes within every area possible
 - *Short-term interim solution:* campus-wide minimum enrollments by section category and level
 - *Longer-term, lasting change:* programs develop plans to balance course enrollments across curriculum while prioritizing equitable student learning, degree progress, and retention/graduation
4. Coordinate and consolidate GE offerings
 - *Short-term interim solution:* observe minimum enrollments in GE, increase enrollments and consolidate sections where possible
 - *Longer-term, lasting change:* departments review UD GE offerings and reduce where need is low
5. Assess assigned time
 - *Pending recommendations from faculty work assignment equity task force:* assess and possibly restrict assigned time in targeted areas
 - *Pending recommendations from faculty work assignment equity task force:* develop and observe consistent, transparent process for reviewing, approving, and reporting assigned time
6. Assess low-enrolled and duplicative programs
 - *Short-term interim solution:* limit new program development
 - *Longer-term, lasting change:* colleges review low-enrolled programs and develop integrated plans for program development, consolidation, and possible discontinuation, keyed to enrollment and workforce projections, aligned with 3-5 year faculty hiring plans

UBC Research & Service Organization (RSO) Workgroup update *(second reading)*

Dr. Genie Stowers

UBC faculty member and RSO Workgroup Lead

Public Administration Program / School of Public
Affairs & Civic Engagement (PACE)

RSO Workgroup Presentation

University Budget Committee

Update in 2nd Reading

December 17th, 2020

RSO Workgroup Presentation

Agenda

1. Members
2. Principles
3. RSO Policy Recommendations
 1. With 2 updated recommendations
4. RSO Cost Savings Recommendations

RSO Workgroup Members

- Andrew Carrillo
 - President, Associated Students
- Ian Dunham
 - Faculty, Management Department
- Sylvia Piao
 - University Controller
- Gitanjali Shahani
 - Chair, Department of English
- Genie Stowers, Workgroup Convenor
 - Faculty, School of Public Affairs and Civic Engagement
- Michael Scott, AVP for Research (Consultant to RSO Workgroup)

Working Principles

- All RSOs contribute to the richness of our intellectual and scholarly life at SF State
- RSOs are no more or less responsible for solving our fiscal crisis than other units in the University.
- The University is currently in a fiscal crisis; all parts of the University should contribute to solutions to this crisis.
- Given the extreme variability of the RSOs and their funding structures, and the short time frame available to this Work Group, it is not appropriate for this Work Group to recommend specific cuts in specific RSOs.

Policy Recommendations

The existing RSO policy is at https://research.sfsu.edu/rso_policy

The policy should be updated to incorporate requirements for stronger financial reviews and financial sustainability.

Policy Recommendations– New from 1st Reading

- 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.
- 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.

Recommendations for the RSO Policy– Existing RSOs

- Must have a plan within 6 months to become self-sustaining
 - 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.
 - Move all non-salary expenses, including student employment, to external funding over time.
- Must become self-sustaining within 3 years; extension, exemptions, or exceptions may be approved by the President.
 - 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.
- 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).

Recommendations for the RSO Policy– New RSOs

- 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-intense types of organization.
- 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.
- No more than three years should be allowed for a new RSO to become financially self-sustaining.

Macro Enrollment and Budget Scenarios

Enrollment / Budget	Budget Situation Remains the Same or Worsens	Budget Situation Improves (more CARES funding or increased State funding)
Enrollment Numbers Remain the Same or Worsen	<i>Scenario 4-Most Dire</i> More cuts will be needed from every unit on campus	<i>Scenario 3-Middle Ground Budget Improvement</i> Some cuts will still be needed
Enrollment Numbers and/or Retention Rates Improve	<i>Scenario 2-Middle Ground Enrollment Improvement</i> Some cuts will still be needed	<i>Scenario 1-Most Optimistic</i> Fewer fiscal reductions will be required

Potential Budget Decisions and Outcomes Dependent on Larger Environment of Macro Enrollment and Budget 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

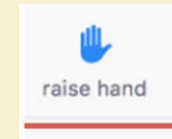
- RSOs receiving General Fund monies should make decisions on how and where to cut 10-15% of their budget and forward those decisions to their VP.

PUBLIC FORUM

15 minutes, three minutes per speaker

Please:

- ✓ “Raise your Hand” *(found on your Participants menu, lower left corner)*
*Unmute yourself when called upon to speak. For transparency, please begin with your **name, title, department or campus affiliation**, then 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 ~





SAN FRANCISCO
STATE UNIVERSITY



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 presentation materials
and meeting updates:

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