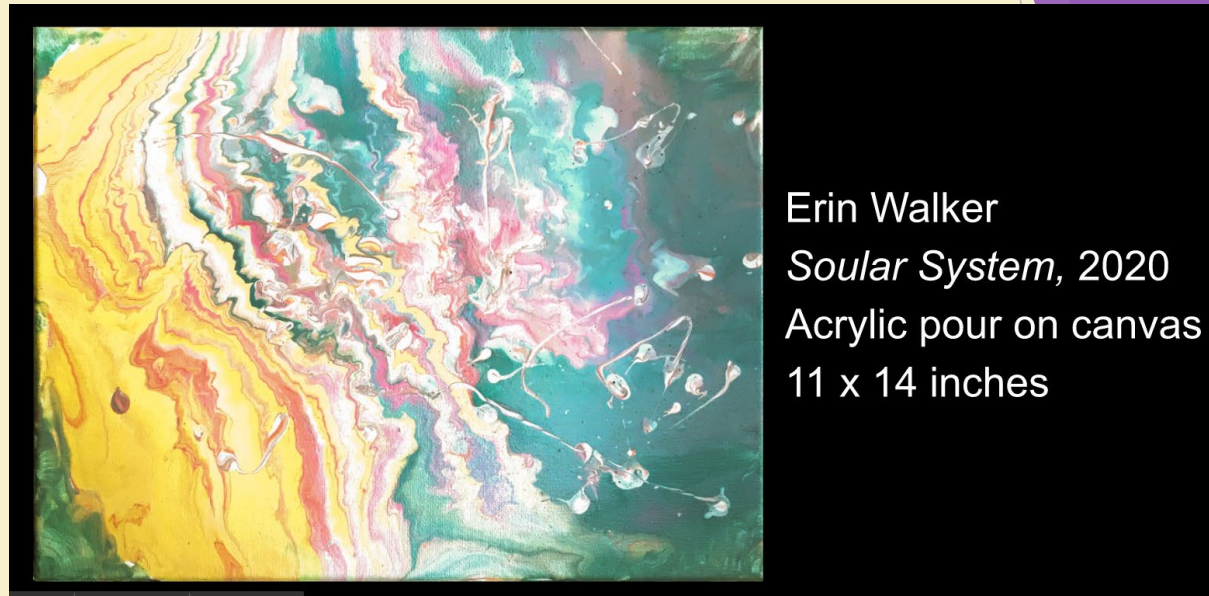




SAN FRANCISCO  
STATE UNIVERSITY

# University Budget Committee

Thursday, February 25, 2021

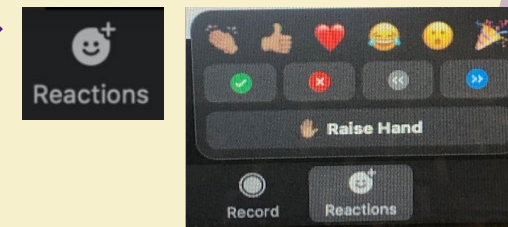


Erin Walker  
*Soular System*, 2020  
Acrylic pour on canvas  
11 x 14 inches

Artwork courtesy of SF State's School of Art 2020 Student Stillwell Exhibition

## Welcome!

- For this extended meeting; please gather what you need to stay with us, and thanks for your patience!
- Please "rename" yourself as "Member, Voting (or non-voting), First & Last Name" or "Guest, First & Last Name"
- Please use the "raise hand" function for questions, now found in Reactions ➡
- Public forum is at approx. 11:30 a.m. (or sooner)
- We will do our best to address questions posted in the Chat
- Today's presentation will be posted to the UBC webpage later today



# 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. Approval of minutes from January 28, 2021
2. Opening remarks from President Mahoney

VP Wilson

President Mahoney

## ACTION ITEMS FOR VOTING MEMBERS:

3. Budget scenarios for 2021-2022
4. Designated Balances, Reserves, and Carryforwards policy (first reading)

VP Wilson/Elena Stoian

VP Wilson/Elena Stoian

*(Short Break)*

5. CARES Funding
6. HEERF II funding framework

VP Wilson

VP Wilson

## UPDATES AND INFORMATIONAL ITEM:

7. Steering Committee report

Stowers/Menees

**OPEN FORUM** (20 minutes; three-minute limit per speaker)

**ADJOURNMENT** (next meeting March 18<sup>th</sup>)

## Budget Transparency Resources

SF State's Budget Administration and Operations Office

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

SF State University Budget Committee

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

CSU's Transparency and Accountability portal

<https://www2.calstate.edu/csu-system/transparency-accountability/Pages/default.aspx>

# Approval of January 28<sup>th</sup> Meeting Minutes

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

# Opening Remarks

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**President Lynn Mahoney**

**Action Item:**

**Budget scenarios for 2021-2022**

**Jeff Wilson**

Interim Vice President & CFO  
Administration & Finance

**Elena Stoian**

Executive Director  
Budget Administration & Operations  
Administration & Finance





# 2021-2022 Scenario Planning

February 25, 2021

San Francisco State University



# Scenario Planning – General Operating Fund

## Summary

- Resource and expenditure analyses based on the Governor’s January budget proposal and February revision, tuition and fee revenue forecasts based on enrollment scenarios, and an expenditure forecast based on current and future mandatory costs scenarios are presented.
- The analyses result in the following resource and costs scenarios:

	Best case	Medium case	Worst case
Resources (revenues)	388,843,667	387,939,017	386,989,367
Costs (expenditures)	<u>386,563,000</u>	<u>387,467,650</u>	<u>388,372,300</u>
Surplus/(Deficit)	2,280,667	471,367	(1,382,933)

# Scenario Planning

## Agenda

1. Budget planning review
2. Scenario planning
3. Resource scenarios
4. Expenditure scenarios
5. Scenario recommendations
6. Discussion
7. Action item

# Scenario Planning

## Agenda

- 1. Budget planning review**
2. Scenario planning
3. Resource scenarios
4. Expenditure scenarios
5. Scenario recommendations
6. Discussion
7. Action item

# Scenario Planning

## Budget planning framework

1. Set milestones (adopted by UBC, November 2020)
2. Governor's January proposal (released January 10, 2021)
3. CSU/State advocacy and negotiations (ongoing)
- 4. Scenario planning**
5. Campus planning iterations
6. Governor's May proposal
7. Final state budget
8. Final campus budget

# Scenario Planning

## Budget planning framework – Scenario planning

- This is where we are now in the process.
- We'll spend the rest of the presentation talking about scenario planning so I won't go into details now.
- Action item today is to recommend scenarios to the President for direction to the divisions to begin budget planning.



# Scenario Planning

## Budget planning framework

1. Set milestones (adopted by UBC, November 2020)
2. Governor's January proposal (released January 10, 2021)
3. CSU/State advocacy and negotiations (ongoing)
4. Scenario planning
5. **Campus planning iterations**
6. Governor's May proposal
7. Final state budget
8. Final campus budget

# Scenario Planning

## Budget planning framework – Campus planning iterations

- This step in the process is where the real work occurs at the cabinet-division, college, division, unit, and department level.
  - Budget Officers and Budget Administration and Operations use ePBCS (SF State's budget planning software) to build budgets.
- 

Based on UBC's action item today, vice presidents and cabinet-division leadership will present tentative budget plans to the UBC beginning in March.

# Scenario Planning


## Budget planning framework – Campus planning iterations

### From the previous slide:

- Real work – this refers to the analyses, communication, budget line level calculations, supervisory direction, etc. taking place at the unit level.
- Build budgets – this refers to the known and anticipated changes in conditions being input into the planning software based on the real work – including the budget items that are fixed and contractually committed.
- Tentative budget plans – March and April will be too early to finalize budget plans; budget plans will be finalized in July after the state budget is enacted and allocations are received by SF State from the CSU.

# Scenario Planning

## Budget planning framework

1. Set milestones (adopted by UBC, November 2020)
  2. Governor's January proposal (released January 10, 2021)
  3. CSU/State advocacy and negotiations (ongoing)
  4. Scenario planning
  5. Campus planning iterations
  6. **Governor's May proposal**
  7. **Final state budget**
  8. **Final campus budget**
- 
- Future meetings

# Scenario Planning

## Budget planning framework

1. Set milestones (adopted by UBC, November 2020)
2. Governor's January proposal (released January 10, 2021)
3. CSU/State advocacy and negotiations (ongoing)
4. **Governor's/Legislature's February 17, 2021 Agreement – amends January proposal**
5. Scenario planning
6. Campus planning iterations
7. **Governor's May proposal**
8. **Final state budget**
9. **Final campus budget**



Future meetings



# Scenario Planning

## Agenda

1. Budget planning review
- 2. Scenario planning**
3. Resource scenarios
4. Expenditure scenarios
5. Scenario recommendations
6. Discussion
7. Action item

# Scenario Planning

## Phase 1

Resource and expenditure scenario planning

## Phase 2

Contingency planning

## Phase 3

Planning

# Scenario Planning

## Scenario planning – Phase 1

### Resources (revenue) components

State appropriation

Tuition and other fees based on enrollments, including retention

Fee adjustments

Other revenues

### Costs (expenditure) components

Direct expenditure adjustments  
(salaries, benefits, operating expenses)

Indirect expenditure adjustments  
(utilities, insurance, financial aid)

# Scenario Planning

## Phase 1 – Resources (revenues)

- **State Allocation** – (+/- %) = (+/- \$) [good, better, best or bad, worse, worst]
- **Enrollments** – (FTEs) & (Headcount) & (Academic Unit Load) & (Resident or non-resident) & (etc.) = *tuition and fee revenue*
- **Fee adjustments** - changes in fees (+/-)
- **Other revenue**

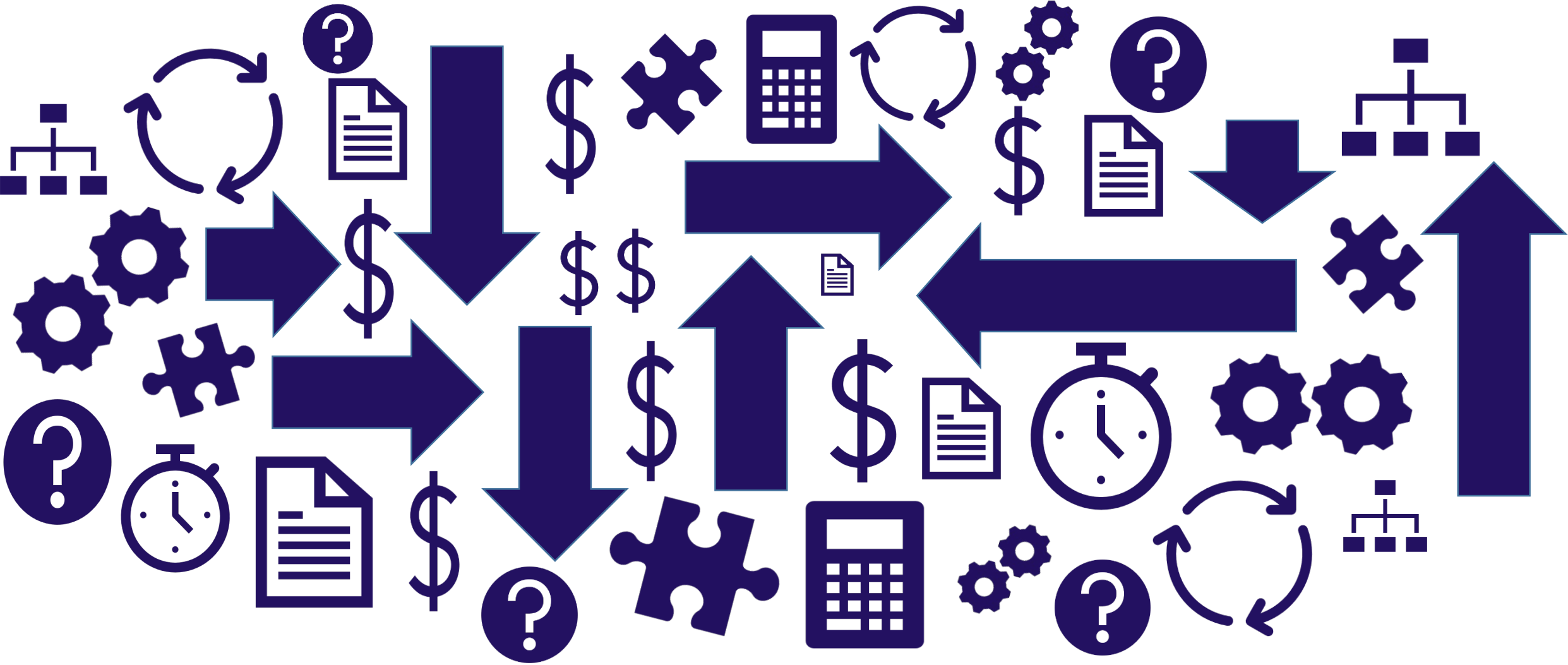
# Scenario Planning

## Phase 1 – Costs (expenditures)

- **Direct expenditure adjustments** (salaries, benefits, operating expenses)
- **Indirect expenditure adjustments** (utilities, insurance, financial aid)



# Time out



# Time out

## Scenario planning – Phase 1 - Who's doing what?

### Costs (expenditures)

Component	Source data	Expenditure calculation
Direct expenditures	(1) CSU Chancellor's Office, campus leadership; (2) Departments, units, colleges/divisions, cabinet- divisions	Unit Budget Officers (e.g. analysts, officers, managers, directors)
Indirect expenditures	CSURMA, Facilities, Sustainability Office, CSU Chancellor's Office,	BAO, Self-support Unit Budget Officers

# Time out

## Scenario planning – Phase 1 – Resources

Scenario	State allocation	Tuition and fee revenue	Other revenue	Impact (in millions)
Negative	-10.0%	-10.0%	-2.5%	(\$20.0)
Neutral-negative	-5.0%	-5.0%	-1.0%	(\$10.0)
Neutral	0.0%	0.0%	0.0%	\$0.0
Neutral-positive	+5.0%	+5.0%	+1.0%	\$10.0
Positive	+10.0%	+10.0%	+2.5%	\$20.0

EXAMPLE – NOT REAL NUMBERS

# Time out

## Scenario planning – Phase 1 - Expenditures

Component	Mandatory Adjustments	Proposed Adjustments	Impact of Adjustments
Fixed salaries and wages	\$1.0	\$0.5	\$1.5
Variable salaries and wages	0.0	(3.0)	(3.0)
Operating expenses	0.0	(1.0)	(1.0)
Central benefits pool	12.0	0.0	12.0
Central campus expenditures	3.0	1.0	4.0
<b>Total</b>	<b>\$16.0</b>	<b>\$2.5</b>	<b>\$18.5</b>

EXAMPLE – NOT REAL NUMBERS

# Scenario Planning

## Agenda

1. Budget planning review
2. Scenario planning
- 3. Resource scenarios**
4. Expenditure scenarios
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# Scenario Planning

## Phase 1 – Resources (revenues)

Component	2020-2021 Budget (rounded)
State appropriation	179,928,000
Tuition and fees	176,426,000
Other revenues	11,649,000
<b>Total</b>	<b>368,003,000</b>

# Scenario Planning

## Phase 1 – Resources (revenues) – State appropriation

Scenario	Budget (rounded)
2020-2021 Budget	179,928,000

### Scenario development considerations:

- Governor’s January budget proposal + **February revision**
- CSU advocacy efforts
- Legislature’s priorities
- Economic environment
- Pandemic
- CSU resource allocation model (SF State is under-enrolled to CSU target student FTE)

# Scenario Planning

## Phase 1 – Resources (revenues) – Tuition and fees

Scenario	Budget (rounded)
2020-2021 Budget	176,426,000

### Scenario development considerations:

- Forecasted enrollment data from Enrollment Management/Institutional Analytics
- Fee changes (no tuition increase)
- Academic unit load
- Student FTEs
- Student headcount
- CA Resident/non-resident mix

# Scenario Planning

## Phase 1 – Resources (revenues) – Other revenues

Scenario	Budget (rounded)
2020-2021 Budget	11,649,000

### Scenario development considerations:

- Primary component is cost recovery from non-general fund campus units and general-fund-to-general fund services (i.e. chargebacks)
- Return to more face-to-face, on campus operations
- Increased costs for services
- +/- demand for services

# Scenario Planning

## Phase 1 – Resources (revenues) – State appropriation

This reflects Governor’s January proposal and February revision.

Planning Component	2021-2022 Budget
2020-2021 Budget	179,928,000
January proposal – estimated additional funding based solely on historical trends	7,250,000
February revision – restores 2020-2021 reduction	18,093,000
<b>2021-2022 Budget – with best case planning assumptions<sup>1</sup></b>	<b>205,271,000</b>

<sup>1</sup>Best case planning assumptions assumes full restoration by CSU to SF State.

# Scenario Planning

## Phase 1 – Resources (revenues) – State appropriation

Scenario	2020-2021 Budget
2020-2021 Budget	179,928,000

Scenario	\$ Adjustment January proposal	\$ Adjustment February revision	2021-2021 Budget
1 – Best case: Governor’s Proposal	7,250,000	18,093,000	205,271,000
2 – Medium case: Governor’s Proposal = -5%	7,250,000	17,188,350	204,366,350
3 – Worst case: Governor’s Proposal = -10%	7,250,000	16,238,700	203,416,700

# Scenario Planning

## Phase 1 – Resources (revenues) – Tuition and fees

Scenario	2020-21 Budget
2020-2021 Budget	176,426,000

Scenario	\$ Adjustment	2021-22 Budget
1 – Best case (-5.4% to target; +1.3% to 20-21)	-1,259,000	175,167,000
2 – Good case (-7.2% to target; -1.8% to 20-21)	-4,504,000	171,922,000
3 – Medium case (-8.9% to target; -2.2% to 20-21)	-7,744,000	168,682,000
4 – Worst case (-12% to target; -5.3% to 20-21)	-16,314,000	160,112,000

# Scenario Planning

## Phase 1 – Resources (revenues) – Tuition and fees

Scenario		2020-21 Budget
2020-2021 Budget		176,426,000

Scenario	\$ Adjustment	2021-22 Budget
4 – Worst case	-16,314,000	160,112,000

- At this point, this enrollment scenario will not be considered for tuition and fee revenue.
- As more data becomes available this scenario may be reconsidered.
- If this scenario becomes more probable, more consideration will be given to using campus reserves and one-time, federal funds to balance the campus's budget.



# Scenario Planning

## Phase 1 – Resources (revenues) – Other revenues

Scenario	2020-21 Budget
2020-2021 Budget	11,649,000

Scenario	Increment \$ Adjustment	2021-22 Budget
1 – Medium case	0	11,649,000
2 – Medium case	0	11,649,000
3 – Medium case	0	11,649,000

# Scenario Planning

## Phase 1 – Resources (revenues) - Scenario 1

Averages worst case state appropriation with three tuition and fees scenario and other revenues.

Scenario	State Appropriation	Tuition and Fees	Other Revenues	Total
A	203,416,700	175,167,000	11,649,000	390,232,700
B	203,416,700	171,922,000	11,649,000	386,987,700
C	203,416,700	168,682,000	11,649,000	383,747,700
			<b>Average</b>	<b>386,989,367</b>

# Scenario Planning

## Phase 1 – Resources (revenues) - Scenario 2

Averages medium case state appropriation with three tuition and fees scenario and other revenues.

Scenario	State Appropriation	Tuition and Fees	Other Revenues	Total
A	204,366,350	175,167,000	11,649,000	391,182,350
B	204,366,350	171,922,000	11,649,000	387,937,350
C	204,366,350	168,682,000	11,649,000	384,697,350
			<b>Average</b>	<b>387,939,017</b>

# Scenario Planning

## Phase 1 – Resources (revenues) - Scenario 3

Averages best case state appropriation with three tuition and fees scenario and other revenues.

Scenario	State Appropriation	Tuition and Fees	Other Revenues	Total
A	205,271,000	175,167,000	11,649,000	392,087,000
B	205,271,000	171,922,000	11,649,000	388,842,000
C	205,271,000	168,682,000	11,649,000	385,602,000
			<b>Average</b>	<b>388,843,667</b>

# Scenario Planning

## Agenda

1. Budget planning review
2. Scenario planning
3. Resource scenarios
- 4. Expenditure scenarios**
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6. Discussion
7. Action item

# Scenario Planning

## Phase 1 – Costs (expenditures)

Component	2020-2021 Budget
2020-2021 Expenditure Base	\$380,120,000
2021-2022 Mandatory Costs (January proposal)	6,443,000
2021-2022 Mandatory Costs (February revision)	<i>unknown</i>
<b>2021-2022 Total Costs</b>	<b>\$386,563,000</b>

# Scenario Planning

## Phase 1 – Costs (expenditures)

Component	Scenario 1	Scenario 2	Scenario 3
2020-2021 Expenditure Base	\$380,120,000	\$380,120,000	\$380,120,000
2021-2022 January proposal (mandatory costs)	6,443,000	6,443,000	6,443,000
2021-2022 February revision (mandatory costs at 0%, 5%, 10% of reinstatement <sup>1</sup> )	0	904,650	1,809,300
<b>2021-2022 Total Costs</b>	<b>\$386,563,000</b>	<b>\$387,467,650</b>	<b>\$388,372,300</b>

<sup>1</sup>Reinstatement = \$18,093,000; 5% of 18,093,000 = \$904,650 and 10% = \$1,809,300

# Scenario Planning

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# Scenario Planning

This table presents nine scenarios where the three scenarios for revenue are compared to the three scenarios for expenditures resulting in a surplus or (deficit). For example, if revenue scenario 2 and expenditure scenario 2 are compared, there is \$471,367 surplus.

		Expenditure Scenario 1	Expenditure Scenario 2	Expenditure Scenario 3
		<b>386,563,000</b>	<b>387,467,650</b>	<b>388,372,300</b>
Revenue Scenario 1	<b>386,989,367</b>	426,367	(478,283)	<b>(1,382,933)</b>
Revenue Scenario 2	<b>387,939,017</b>	1,376,017	<b>471,367</b>	(433,283)
Revenue Scenario 3	<b>388,843,667</b>	<b>2,280,667</b>	1,376,017	471,367

# Scenario Planning

## Phase 1 – Resources (revenues) and Costs (expenditures)

### Scenario Compilation (averages resources across scenarios)

	Best case	Medium case	Worst case
Resources (revenues)	388,843,667	387,939,017	386,989,367
Costs (expenditures)	<u>386,563,000</u>	<u>387,467,650</u>	<u>388,372,300</u>
Surplus/(Deficit)	2,280,667	471,367	(1,382,933)

# Scenario Planning

## Phase 2 – Contingencies

Generally, contingencies are accounted for in scenario planning. However, federal funding related to the pandemic must be considered for 2021-2022.

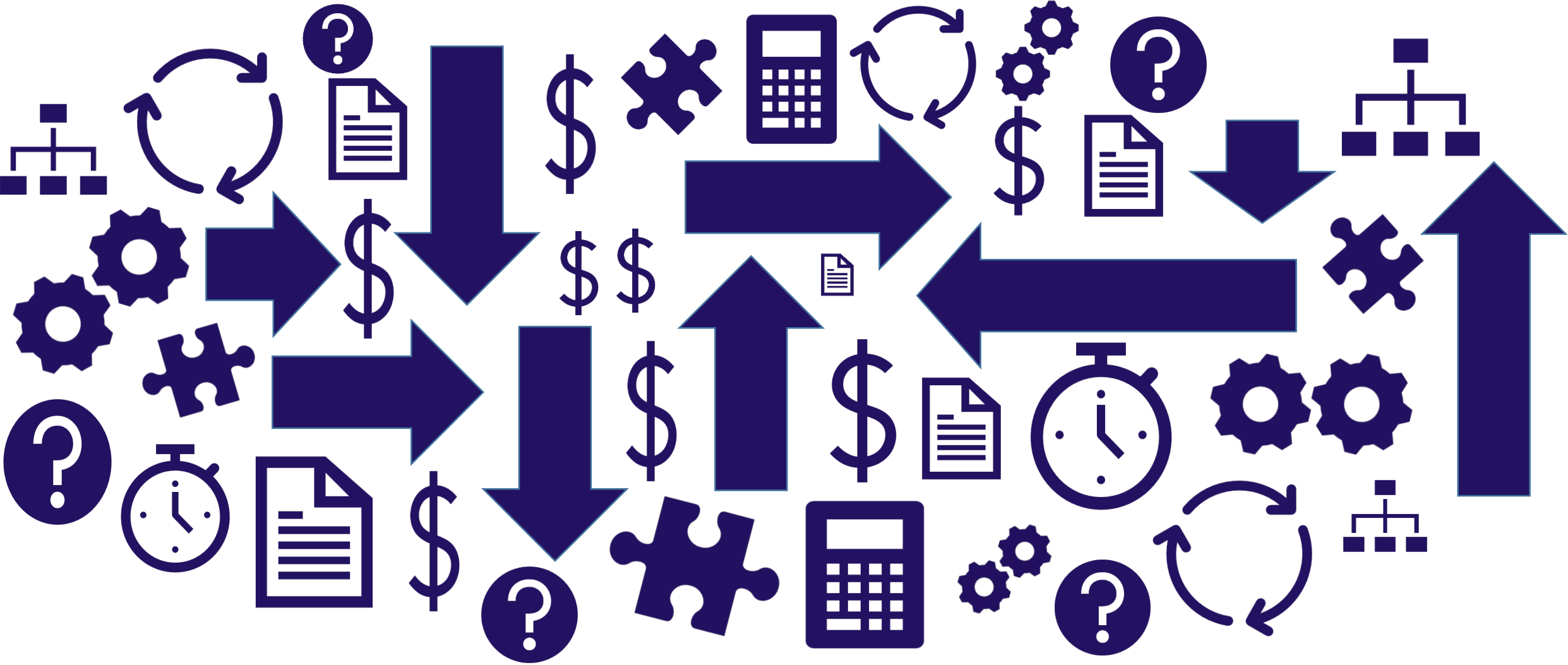
**It is critical to note that federal funding is one-time funding. It definitely benefits the campus but cannot be used for recurring operating costs beyond the budget year(s) the funding is available.**

# Scenario Planning

## Phase 2 – Contingencies

- SF State has received approximately **\$33 million** to support the campus' operations, with restrictions, from HEERF 2 and may receive an amount equal to that amount or greater from proposed legislation (i.e. President Biden's American Rescue Plan).
- In addition to using these funds to address critical needs during the pandemic, how will SF State use these funds to address the campus' lost resources from the reduced state appropriation in 2020-2021 and reduced tuition and fees due to lower enrollment?

# Time out



# Time out

## HEERF 2 – Funding

The next action item for the UBC is to adopt a framework for using the HEERF 2 funds.

# Scenario Planning

## Phase 3 – Unit-level planning

- Based on the scenarios presented, SF State’s general operating fund will have a relatively small budget surplus, a very small surplus, or a relatively small budget deficit for 2021-2022.

	Best case	Medium case	Worst case
Resources (revenues)	388,843,667	387,939,017	386,989,367
Costs (expenditures)	<u>386,563,000</u>	<u>387,467,650</u>	<u>388,372,300</u>
Surplus/(Deficit)	<b>2,280,667</b>	<b>471,367</b>	<b>(1,382,933)</b>

# Scenario Planning

## Phase 3 – Unit-level planning

### SF State's central reserve

- The campus's central reserve has been used to cover deficits from prior years. The campus's forecasted central reserve for June 30, 2021 is **\$8 million**.
- The campus must maintain a responsible reserve for future economic downturns, campus emergencies (e.g. flooded science building), cost overruns, and other unanticipated costs.
- As set forth in the proposed policy, the campus should aspire to have a central reserve equal to **10%** of its annual operating expenses – for SF State that would be about **\$40 million**.



# Scenario Planning

## Phase 3 – Unit-level planning

- A review 2020-2021 deficit planning

# Scenario Planning

## 2020 – 2021 Original plan to address general operating fund deficit

(\$ in millions)

<b>Deficit Before Any Actions Taken</b>	<b>\$37.9</b>
Hiring Chill Savings (Vacant Positions Salary +Benefits)	14.3
Student Assistant Savings Due To Program Reduction	1.7
Savings From Reduced Operating Expense	2.3
Utilities Due To Reduced Use Of Buildings	1.9
Savings Form Deferred Maintenance Program Deferral	2.3
Increase In Liability/Risk Pool	-1.4
<b>Total Adjustments Included In FY 2020-21 Budget</b>	<b>\$21.1</b>
<b>Remaining deficit (\$37.9 minus \$21.1)</b>	<b>\$16.8</b>
Use Of Campus Reserve	7.7
Workforce Reduction Savings (Salary +Benefits)	9.1
<b>2020-21 Balanced Budget</b>	<b>\$0.0</b>

# Scenario Planning

<b>2020 – 2021 Forecasted plan to address general operating fund deficit</b>	<b>(\$ in millions)</b>
<b>Deficit Before Any Actions Taken</b>	<b>\$37.9</b>
Hiring Chill Savings (Vacant Positions Salary +Benefits)	14.3
Student Assistant Savings Due To Program Reduction	1.7
Savings From Reduced Operating Expense	2.3
Utilities Due To Reduced Use Of Buildings	1.9
Savings Form Deferred Maintenance Program Deferral	2.3
Increase In Liability/Risk Pool	-1.4
<b>Total Adjustments Included In FY 2020-21 Budget</b>	<b>\$21.1</b>
<b>Remaining deficit (\$37.9 minus \$21.1)</b>	<b>\$16.8</b>
Use Of Campus Reserve	11.9
Workforce Reduction Savings (Salary +Benefits)	4.9
<b>2020-21 Balanced Budget</b>	<b>\$0.0</b>

# Scenario Planning – General Operating Fund

## Summary

- Resource and expenditure analyses based on the Governor’s January budget proposal and February revision, tuition and fee revenue forecasts based on enrollment scenarios, and an expenditure forecast based on current and future mandatory costs scenarios are presented.
- The analyses result in the following resource and costs scenarios:

	Best case	Medium case	Worst case
Resources (revenues)	388,843,667	387,939,017	386,989,367
Costs (expenditures)	<u>386,563,000</u>	<u>387,467,650</u>	<u>388,372,300</u>
<b>Surplus/(Deficit)</b>	<b>2,280,667</b>	<b>471,367</b>	<b>(1,382,933)</b>

# Scenario Planning

## Agenda

1. Budget planning review
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5. Scenario recommendations
- 6. Discussion**
7. Action item

# Scenario Planning

## Agenda

1. Budget planning review
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7. **Action item**

# Scenario Planning

## Action Item

Recommending scenarios to President Mahoney.

## Next steps

President will direct Vice Presidents to plan according to recommended scenarios. Vice Presidents will present proposed budgets to UBC beginning in March.

**Action Item:**

**Designated Balances, Reserves,  
and Carryforwards policy  
(first reading)**

**Jeff Wilson**

Interim Vice President & CFO  
Administration & Finance





# Designated Balances, Reserves, and Carryforwards Policy

February 25, 2021

# Designated Balances, Reserves, and Carryforwards Policy

## Agenda

1. Introduction
2. Policy Objective
3. Background
4. Policy Statement
5. Policy Review
6. Discussion
7. Action item

# Designated Balances, Reserves, and Carryforwards Policy

## Agenda

1. Introduction
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# Designated Balances, Reserves, and Carryforwards Policy

## Introduction

- Draft policy comes from the UBC's policy subcommittee (Andrew Ichimura, Kathleen Mortier, Sylvia Piao, Tammie Ridgell, Amy Sueyoshi, Jeff Wilson)
- Policy provides guidelines for managing, recording, and reporting campus's designated balances, reserves, and carryforwards
- Policy requires transparency and accountability for campus's designated balances, reserves, and carryforwards
- Policy provides flexibility and balance university, cabinet-division, and college/division, and unit-level needs

# Designated Balances, Reserves, and Carryforwards Policy

## Other policies reviewed

**CSU campuses:** Sonoma, Humboldt, Sacramento, San Jose, Fullerton, San Marcos, Channel Islands

**Other universities:** University of California (UCOP), UC Merced, Portland State University, University of Saskatchewan, University of Wisconsin – La Crosse, University of Washington, University of Arkansas – Little Rock, Minnesota State University, Colorado State University

# Designated Balances, Reserves, and Carryforwards Policy

## Agenda

1. Introduction
- 2. Policy Objective**
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# Designated Balances, Reserves, and Carryforwards Policy

## Policy Objective

Ensure designated balances, reserves, and carryforwards are administered to support San Francisco State University's (the University, SF State) financial health, are recorded and reported transparently, and are expended according to state, CSU, and SF State regulations and policies.

# Designated Balances, Reserves, and Carryforwards Policy

## Policy Objective

1. Comply with CSU policy
2. Provide a framework and guidance for campus units to manage, record, and report designated balances, reserves, and carryforwards



# Designated Balances, Reserves, and Carryforwards Policy

## Agenda

1. Introduction
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# Designated Balances, Reserves, and Carryforwards Policy

## Background

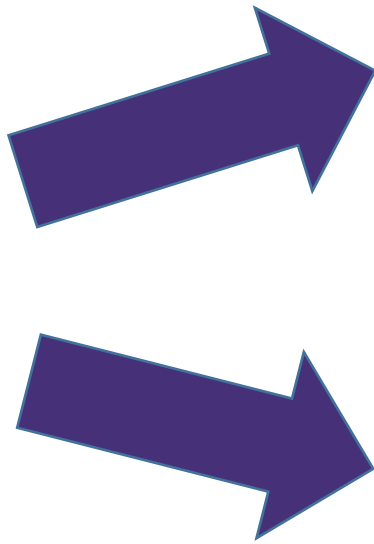
### Definitions and context

1. Designated balances and reserves
2. Carryforwards
3. Fund balances

# Designated Balances, Reserves, and Carryforwards Policy

## Background

End of Fiscal  
Year Balances  
and Analyses



*General  
operating  
fund*

Designated balances (unit level)  
Reserves (university level)  
Carryforwards (unit level)  
**(one-time funds)**

*Self support  
funds*

Fund balances  
Designated balances  
Reserves  
**(one-time funds)**

# Designated Balances, Reserves, and Carryforwards Policy

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6. Discussion
7. Action item

# Designated Balances, Reserves, and Carryforwards Policy

## Policy Statement

1. Campus approach
2. Recording and reporting

# Designated Balances, Reserves, and Carryforwards Policy

## Policy Statement

1. **Campus approach**
2. Recording and reporting

# Designated Balances, Reserves, and Carryforwards Policy

## Policy Statement

### Campus approach

- This is the most important section of this policy. The recording and reporting section of the policy provides procedural guidance to execute the campus approach and to comply with CSU policies and procedures.
- The campus approach provides flexibility and a framework for managing balances, reserves, and carryforwards.
- The campus approach acknowledges that, at times, university-wide, collective needs and priorities may override an individual unit's needs and priorities.
- The campus approach emphasizes the President's authority and responsibility for the campus's resources.

# Designated Balances, Reserves, and Carryforwards Policy

## Policy Statement

### Campus approach

#### 1% and 3% model for unit-level carryforwards

- With their Vice President's approval, units may retain a portion of their carryforwards equal to 1% of their units' prior year operating expenses for unanticipated costs for the next fiscal year.
- With their Vice President's approval, units may retain a portion of their carryforwards equal to 3% of their units' prior year operating expenses for unit-level needs and priorities for the next fiscal year.



# Designated Balances, Reserves, and Carryforwards Policy

## Policy Statement

### Campus approach – an example – Division A's General Operating fund

- Division A's budget is \$1,000,000 and its actual expenses are \$900,000 so its calculated carryforward is \$100,000.
- With the division's Vice President's approval, Division A could retain \$10,000 for unanticipated costs (1% of \$1,000,000).
- With the division's Vice President's approval, Division A could retain \$30,000 for unit-level needs and priorities (3% of \$1,000,000).
- The remaining carryforward (\$60,000) would revert to a central fund managed by the division's Vice President.

# Designated Balances, Reserves, and Carryforwards Policy

## Policy Statement

### Campus approach – an example - continued

- To clarify, an initial analysis should be conducted to understand why the division's budget is off by 10%.
- This campus approach rolls up to the university level: the President will ultimately approve carryforwards across the cabinet-level divisions.
- The campus approach requires a plan that must be approved by Vice Presidents and the President. Carryforwards cannot accumulate without a deliberate plan [that plan may be long-term].

# Designated Balances, Reserves, and Carryforwards Policy

## Policy Statement

1. Campus approach
- 2. Recording and reporting**

# Designated Balances, Reserves, and Carryforwards Policy

## Policy Statement

## Recording and reporting

- This section is mainly technical for the Office of the University Controller and the Budget Administration and Operations Office.
- A challenge with this section's requirements is timing. Recording and reporting occurs as of June 30 (one day) that is typically processed on or around the July 4<sup>th</sup> holiday. This cannot be avoided since payroll (85% of our costs) is recorded at the end of the month.
- This requires preliminary estimates that then have to be re-estimated so the campus can close its books for the year to comply with state and CSU requirements.
- This process is at the University-level so unit-level decisions can be addressed after the campus closes its books for the year.

# Designated Balances, Reserves, and Carryforwards Policy

## Agenda

1. Introduction
2. Policy Objective
3. Background
4. Policy Statement
- 5. Policy Review**
6. Discussion
7. Action item

# Designated Balances, Reserves, and Carryforwards Policy

## Policy Review

This policy will be reviewed by the University Budget Committee every five years beginning on June 30, 2026 or as recommended by the President or a member of the University Budget Committee.

# Designated Balances, Reserves, and Carryforwards Policy

## Agenda

1. Introduction
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# Designated Balances, Reserves, and Carryforwards Policy

## Discussion



# Designated Balances, Reserves, and Carryforwards Policy

## Agenda

1. Introduction
2. Policy Objective
3. Background
4. Policy Statement
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6. Discussion
- 7. Action item**

# Designated Balances, Reserves, and Carryforwards Policy

## Action Item

and now, for a short break...

Refresh your coffee and take a moment to  
take a visual stroll through our art show:

**2020 Stillwell Student Exhibition**  
**San Francisco State University School of Art**

[Begin gallery slideshow](#)

“Obatala” music by John Calloway <https://www.johncalloway.com/about>

As an educator, John currently teaches jazz theory, Afro-Cuban and Latin American music in the School of Music at San Francisco State University. He also teaches social science and humanities courses with a concentration Latinx and Afro-Latinx cultures in the College of Ethnic Studies.

John holds a B.A. in music from the City University of New York, an **M.A. in music education from San Francisco State University** and a Doctorate in Education from the University of San Francisco.

**Action Item:**

**CARES Funding**

**Jeff Wilson**

Interim Vice President & CFO  
Administration & Finance

**Action Item:**

**HEERF II funding framework**

**Jeff Wilson**

Interim Vice President & CFO  
Administration & Finance





# HEERF 2 Funds

February 25, 2021

San Francisco State University

# Framework for using HEERF II grant – Institutional Portion

## **What is HEERF II**

Authorized by the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA), Public Law 116-260, signed into law by President Donald J. Trump on Dec. 27, 2020. In total, the CRRSAA authorizes \$81.88 billion in support for education.

## **How much was awarded to SFSU**

Student portion - \$14,392,974

Institutional portion - \$33,041,435

## **Where can you find more information**

<https://www2.ed.gov/about/offices/list/ope/crrsaa.html>



# Framework for using HEERF II grant - Institutional Portion

## **What are the requirements and limitation of the grant**

- Reimbursements must be pandemic-related
- Only costs occurring after December 27, 2020
- Must be supported by sufficient detailed, auditable records
- Expires in Spring 2022
- Cannot be used to pay contractors for pre-enrollment activities
- Cannot be used for capital outlays for athletic facilities
- Cannot be used for general deferred maintenance
- One-time funds
- Cannot be used to replace lost tuition revenue
- Can be used to offset costs during the pandemic



# Framework for using HEERF II grant – Institutional Portion

## General framework for planning purposes

### Health and safety

- Classroom health and safety
- Non-classroom health and safety
- COVID-19 Testing
- Personal Protective Equipment (PPE) and cleaning supplies/equipment
- "Restarting" dormant equipment
- Student mental health

### Budget stability and sustainability

- Avoid additional workforce reductions
- Allow another year for cost realignment
- Support for Housing and Parking

### Fall Instruction (assuming a spectrum of modalities)

- Technology and connectivity
- Specialized equipment/furniture/accessories
- Additional sections due to physical distancing requirements and smaller class sizes
- Faculty support and professional development

# Steering Committee Report:

## **Mary Menees**

UBC member, Staff Representative  
Graduate Studies

## **Genie Stowers**

UBC member, Faculty Representative  
School of PACE

# Steering Committee Report:

- UBC offers a Member “Orientation” – March 5<sup>th</sup>
- UBC created new “Office Hours” for the campus community  
Monthly, Fridays from 10:00 AM – 11:00 AM: March 19<sup>th</sup>, April 16<sup>th</sup> and May 21<sup>st</sup>  
Will be posted to 3/8/21 CampusMemo, RSVP to: [ubc@sfsu.edu](mailto:ubc@sfsu.edu)
- UBC webpage new “Feedback” button:



**University Budget Committee**

**Purpose of the Committee:**  
The University Budget Committee (“UBC”) is charged with serving as a deliberative body that provides the San Francisco State University President with ongoing advice and recommendations related to budget policy, planning, and assessment. The UBC aims to ensure that the University’s priorities are reflected in its budget through coordinated consultation, discussion, education, and outreach to the University community. The UBC is comprised of SF State faculty, staff, students and administrators. Members of the UBC, with a shared commitment to transparency in fiscal decision-making, serve to inform the University and community about budget matters, and bring concerns of the students, faculty and staff to the administration.

The UBC generally meets monthly, and holds additional meetings as needed. Meeting dates are posted below and published in CampusMemo. All meetings are open to the public.

**Future UBC Meetings**  
All UBC meetings are held via Zoom until further notice:

- Feb 25, 2021, Thursday, 9:00 am - 12:00 pm via Zoom
- March 18, 2021\*, 1:00 pm - 3:00 pm via Zoom
- Apr 29, 2021, Thursday, 10:00 am - 12:00 pm via Zoom
- May 20, 2021, Thursday, 10:00 am - 12:00 pm via Zoom
- Jun 17, 2021, Thursday, 10:00 am - 12:00 pm via Zoom

UBC meetings are open to the campus community. Dates and times are subject to change. If you wish to attend a meeting as a guest, or have other questions about the UBC, please email [ubc@sfsu.edu](mailto:ubc@sfsu.edu).

University Budget Committee Charge

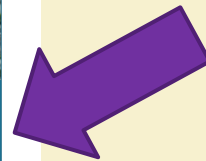
- UBC Charge (as of 9.16.20)

Commitment to Budget Transparency

**We want to hear from you**  
Submit feedback and questions about the university budget

**Feedback and Questions**

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

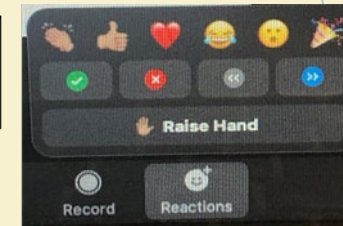
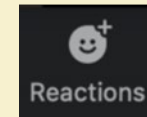


# PUBLIC FORUM

20 minutes, three minutes per speaker

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**, 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>