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  
   VP Wilson
2. Opening remarks from President Mahoney  
   President Mahoney

ACTION ITEMS FOR VOTING MEMBERS:
3. Budget scenarios for 2021-2022  
   VP Wilson/Elena Stoian
4. Designated Balances, Reserves, and Carryforwards policy (first reading)  
   VP Wilson/Elena Stoian

(Short Break)

5. CARES Funding  
   VP Wilson
6. HEERF II funding framework  
   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 18th)
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 28th Meeting Minutes

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

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
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:

<table>
<thead>
<tr>
<th></th>
<th>Best case</th>
<th>Medium case</th>
<th>Worst case</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resources (revenues)</td>
<td>388,843,667</td>
<td>387,939,017</td>
<td>386,989,367</td>
</tr>
<tr>
<td>Costs (expenditures)</td>
<td>386,563,000</td>
<td>387,467,650</td>
<td>388,372,300</td>
</tr>
<tr>
<td>Surplus/(Deficit)</td>
<td>2,280,667</td>
<td>471,367</td>
<td>(1,382,933)</td>
</tr>
</tbody>
</table>
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
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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
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.
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 – Phase 1

<table>
<thead>
<tr>
<th>Resources (revenue) components</th>
<th>Costs (expenditure) components</th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriation</td>
<td>Direct expenditure adjustments (salaries, benefits, operating expenses)</td>
</tr>
<tr>
<td>Tuition and other fees based on enrollments, including retention</td>
<td>Indirect expenditure adjustments (utilities, insurance, financial aid)</td>
</tr>
<tr>
<td>Fee adjustments</td>
<td></td>
</tr>
<tr>
<td>Other revenues</td>
<td></td>
</tr>
</tbody>
</table>
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**
Phase 1 – Costs (expenditures)

- **Direct expenditure adjustments** (salaries, benefits, operating expenses)
- **Indirect expenditure adjustments** (utilities, insurance, financial aid)
Time out
Scenario planning – Phase 1 - Who’s doing what?

<table>
<thead>
<tr>
<th>Costs (expenditures)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Component</strong></td>
</tr>
<tr>
<td>Direct expenditures</td>
</tr>
<tr>
<td>Indirect expenditures</td>
</tr>
</tbody>
</table>
## Scenario planning – Phase 1 – Resources

<table>
<thead>
<tr>
<th>Scenario</th>
<th>State allocation</th>
<th>Tuition and fee revenue</th>
<th>Other revenue</th>
<th>Impact (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Negative</td>
<td>-10.0%</td>
<td>-10.0%</td>
<td>-2.5%</td>
<td>($20.0)</td>
</tr>
<tr>
<td>Neutral-negative</td>
<td>-5.0%</td>
<td>-5.0%</td>
<td>-1.0%</td>
<td>($10.0)</td>
</tr>
<tr>
<td>Neutral</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>$0.0</td>
</tr>
<tr>
<td>Neutral-positive</td>
<td>+5.0%</td>
<td>+5.0%</td>
<td>+1.0%</td>
<td>$10.0</td>
</tr>
<tr>
<td>Positive</td>
<td>+10.0%</td>
<td>+10.0%</td>
<td>+2.5%</td>
<td>$20.0</td>
</tr>
</tbody>
</table>
Scenario planning – Phase 1 - Expenditures

<table>
<thead>
<tr>
<th>Component</th>
<th>Mandatory Adjustments</th>
<th>Proposed Adjustments</th>
<th>Impact of Adjustments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed salaries and wages</td>
<td>$1.0</td>
<td>$.5</td>
<td>$1.5</td>
</tr>
<tr>
<td>Variable salaries and wages</td>
<td>0.0</td>
<td>(3.0)</td>
<td>(3.0)</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>0.0</td>
<td>(1.0)</td>
<td>(1.0)</td>
</tr>
<tr>
<td>Central benefits pool</td>
<td>12.0</td>
<td>0.0</td>
<td>12.0</td>
</tr>
<tr>
<td>Central campus expenditures</td>
<td>3.0</td>
<td>1.0</td>
<td>4.0</td>
</tr>
<tr>
<td>Total</td>
<td>$16.0</td>
<td>$2.5</td>
<td>$18.5</td>
</tr>
</tbody>
</table>

*Example - not real numbers*
Scenario Planning

Agenda

1. Budget planning review
2. Scenario planning
3. **Resource scenarios**
4. Expenditure scenarios
5. Scenario recommendations
6. Discussion
7. Action item
### Phase 1 – Resources (revenues)

<table>
<thead>
<tr>
<th>Component</th>
<th>2020-2021 Budget (rounded)</th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriation</td>
<td>179,928,000</td>
</tr>
<tr>
<td>Tuition and fees</td>
<td>176,426,000</td>
</tr>
<tr>
<td>Other revenues</td>
<td>11,649,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>368,003,000</strong></td>
</tr>
</tbody>
</table>
## Scenario Planning

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

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Budget (rounded)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020-2021 Budget</td>
<td>179,928,000</td>
</tr>
</tbody>
</table>

**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

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Budget (rounded)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020-2021 Budget</td>
<td>176,426,000</td>
</tr>
</tbody>
</table>

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**

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Budget (rounded)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020-2021 Budget</td>
<td>11,649,000</td>
</tr>
</tbody>
</table>

**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.

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

$^1$Best case planning assumptions assumes full restoration by CSU to SF State.
## Scenario Planning

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

<table>
<thead>
<tr>
<th>Scenario</th>
<th>2020-2021 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020-2021 Budget</td>
<td>179,928,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Scenario</th>
<th>$ Adjustment January proposal</th>
<th>$ Adjustment February revision</th>
<th>2021-2021 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 – Best case: Governor’s Proposal</td>
<td>7,250,000</td>
<td>18,093,000</td>
<td>205,271,000</td>
</tr>
<tr>
<td>2 – Medium case: Governor’s Proposal = -5%</td>
<td>7,250,000</td>
<td>17,188,350</td>
<td>204,366,350</td>
</tr>
<tr>
<td>3 – Worst case: Governor’s Proposal = -10%</td>
<td>7,250,000</td>
<td>16,238,700</td>
<td>203,416,700</td>
</tr>
</tbody>
</table>
# Scenario Planning

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

<table>
<thead>
<tr>
<th>Scenario</th>
<th>$ Adjustment</th>
<th>2020-21 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020-2021 Budget</td>
<td></td>
<td>176,426,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Scenario</th>
<th>$ Adjustment</th>
<th>2021-22 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 – Best case (-5.4% to target; +1.3% to 20-21)</td>
<td>-1,259,000</td>
<td>175,167,000</td>
</tr>
<tr>
<td>2 – Good case (-7.2% to target; -1.8% to 20-21)</td>
<td>-4,504,000</td>
<td>171,922,000</td>
</tr>
<tr>
<td>3 – Medium case (-8.9% to target; -2.2% to 20-21)</td>
<td>-7,744,000</td>
<td>168,682,000</td>
</tr>
<tr>
<td>4 – Worst case (-12% to target; -5.3% to 20-21)</td>
<td>-16,314,000</td>
<td>160,112,000</td>
</tr>
</tbody>
</table>
Phase 1 – Resources (revenues) – Tuition and fees

<table>
<thead>
<tr>
<th>Scenario</th>
<th>2020-21 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020-2021 Budget</td>
<td>176,426,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Scenario</th>
<th>$ Adjustment</th>
<th>2021-22 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 – Worst case</td>
<td>-16,314,000</td>
<td>160,112,000</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Scenario</th>
<th>2020-21 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020-2021 Budget</td>
<td>11,649,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Increment $ Adjustment</th>
<th>2021-22 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 – Medium case</td>
<td>0</td>
<td>11,649,000</td>
</tr>
<tr>
<td>2 – Medium case</td>
<td>0</td>
<td>11,649,000</td>
</tr>
<tr>
<td>3 – Medium case</td>
<td>0</td>
<td>11,649,000</td>
</tr>
</tbody>
</table>
### Phase 1 – Resources (revenues) - Scenario 1

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

<table>
<thead>
<tr>
<th>Scenario</th>
<th>State Appropriation</th>
<th>Tuition and Fees</th>
<th>Other Revenues</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>203,416,700</td>
<td>175,167,000</td>
<td>11,649,000</td>
<td>390,232,700</td>
</tr>
<tr>
<td>B</td>
<td>203,416,700</td>
<td>171,922,000</td>
<td>11,649,000</td>
<td>386,987,700</td>
</tr>
<tr>
<td>C</td>
<td>203,416,700</td>
<td>168,682,000</td>
<td>11,649,000</td>
<td>383,747,700</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>386,989,367</strong></td>
</tr>
</tbody>
</table>
### Phase 1 – Resources (revenues) - Scenario 2

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

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

Phase 1 – Resources (revenues) - Scenario 3

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

<table>
<thead>
<tr>
<th>Scenario</th>
<th>State Appropriation</th>
<th>Tuition and Fees</th>
<th>Other Revenues</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>205,271,000</td>
<td>175,167,000</td>
<td>11,649,000</td>
<td>392,087,000</td>
</tr>
<tr>
<td>B</td>
<td>205,271,000</td>
<td>171,922,000</td>
<td>11,649,000</td>
<td>388,842,000</td>
</tr>
<tr>
<td>C</td>
<td>205,271,000</td>
<td>168,682,000</td>
<td>11,649,000</td>
<td>385,602,000</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>205,271,000</strong></td>
<td><strong>173,699,000</strong></td>
<td><strong>11,649,000</strong></td>
<td><strong>388,843,667</strong></td>
</tr>
</tbody>
</table>
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)

<table>
<thead>
<tr>
<th>Component</th>
<th>2020-2021 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020-2021 Expenditure Base</td>
<td>$380,120,000</td>
</tr>
<tr>
<td>2021-2022 Mandatory Costs (January proposal)</td>
<td>6,443,000</td>
</tr>
<tr>
<td>2021-2022 Mandatory Costs (February revision)</td>
<td>unknown</td>
</tr>
<tr>
<td>2021-2022 Total Costs</td>
<td>$386,563,000</td>
</tr>
</tbody>
</table>
## Scenario Planning

### Phase 1 – Costs (expenditures)

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

\(^1\)Reinstatement = $18,093,000; 5% of $18,093,000 = $904,650 and 10% = $1,809,300
Scenario Planning

Agenda

1. Budget planning review
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6. Discussion
7. Action item
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.

<table>
<thead>
<tr>
<th>Revenue Scenario 1</th>
<th>Revenue Scenario 2</th>
<th>Revenue Scenario 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>386,989,367</td>
<td>426,367</td>
<td>(478,283)</td>
</tr>
<tr>
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<td>388,843,667</td>
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## Scenario Planning

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

#### Scenario Compilation (averages resources across scenarios)

<table>
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<td>471,367</td>
<td>(1,382,933)</td>
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</table>
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.
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
HEERF 2 – Funding

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

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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**.
Phase 3 – Unit-level planning

- A review 2020-2021 deficit planning
## Scenario Planning

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

<table>
<thead>
<tr>
<th>Deficit Before Any Actions Taken</th>
<th>($ in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hiring Chill Savings (Vacant Positions Salary +Benefits)</td>
<td>14.3</td>
</tr>
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<td>Student Assistant Savings Due To Program Reduction</td>
<td>1.7</td>
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<tr>
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<td>2.3</td>
</tr>
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<td>Increase In Liability/Risk Pool</td>
<td>-1.4</td>
</tr>
<tr>
<td><strong>Total Adjustments Included In FY 2020-21 Budget</strong></td>
<td><strong>21.1</strong></td>
</tr>
</tbody>
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### Remaining deficit ($37.9 minus $21.1)

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<tr>
<td>Use Of Campus Reserve</td>
<td>7.7</td>
</tr>
<tr>
<td>Workforce Reduction Savings (Salary +Benefits)</td>
<td>9.1</td>
</tr>
<tr>
<td><strong>2020-21 Balanced Budget</strong></td>
<td><strong>$0.0</strong></td>
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## Scenario Planning

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

<table>
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<tr>
<td>Remaining deficit ($37.9 minus $21.1)</td>
<td>$16.8</td>
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<td>Use Of Campus Reserve</td>
<td>11.9</td>
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<tr>
<td>Workforce Reduction Savings (Salary +Benefits)</td>
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<td><strong>2020-21 Balanced Budget</strong></td>
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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:

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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
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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
2. Policy Objective
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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
2. Policy Objective
3. Background
4. Policy Statement
5. Policy Review
6. Discussion
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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
- Self support funds

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

Fund balances
Designated balances
Reserves
(one-time funds)
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
Policy Statement

1. Campus approach
2. Recording and reporting
Designated Balances, Reserves, and Carryforwards Policy

Policy Statement

1. Campus approach
2. Recording and reporting
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.
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.
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 4th 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
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5. **Policy Review**
6. Discussion
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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

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Designated Balances, Reserves, and Carryforwards Policy

Discussion
Designated Balances, Reserves, and Carryforwards Policy

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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
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
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
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 5th

• UBC created new “Office Hours” for the campus community
  Monthly, Fridays from 10:00 AM – 11:00 AM: March 19th, April 16th and May 21st
  Will be posted to 3/8/21 CampusMemo, RSVP to: ubc@sfsu.edu

• UBC webpage new “Feedback” button:
  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 ~
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