Welcome!

**UBC guests:** Please ensure your full name shows onscreen
- Please use the “raise hand” function for questions
- We’ll do our best to address questions posted in the Chat
- Public forum begins approximately 11:45AM
- Today’s presentations will be posted to the UBC webpage

**first UBC meeting for Fall 2024:**
Thursday, September 19, 2024, 10:00 AM – 12:00 PM via Zoom
Welcome from UBC Co-Chairs

Amy Sueyoshi
Provost & Vice President
Academic Affairs

Jeff Wilson
CFO & Vice President
Administration & Finance
Share Your Thoughts

**UBC Meetings**

Attend and participate in the public forums

**UBC Office Hours**

Attend drop-in UBC member peer-hosted Office Hour on Fridays after UBC

**By Email**

ubc@sfsu.edu

Shared with UBC Steering Committee

**Personally**

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

**UBC Webpage**

[https://adminfin.sfsu.edu/ubc](https://adminfin.sfsu.edu/ubc)

Click on the Feedback and Questions button
Members of the University Budget Committee (UBC) invite you to attend UBC office hours to provide your feedback on meeting presentations, to suggest topics for future meetings, to discuss university budget-related questions, etc. This is an opportunity to dialogue directly with your UBC member-peers, as sessions are offered specifically for Staff and Faculty/MPPs.

<table>
<thead>
<tr>
<th>UBC OFFICE HOURS</th>
</tr>
</thead>
<tbody>
<tr>
<td>(tomorrow) <strong>Friday, May 17, 2024</strong></td>
</tr>
<tr>
<td><strong>Faculty &amp; MPP:</strong> 11:00 AM – 12:00 PM</td>
</tr>
<tr>
<td><strong>Staff:</strong> 11:00 AM – 12:00 PM</td>
</tr>
</tbody>
</table>

**RSVP to:** ubc@sfsu.edu

All meetings take place via Zoom
AGENDA

Welcome/Office Hours/Agenda Review    Jeff Wilson
Member rollcall    UBC coordinator
Minutes Approval (UBC April 18 meeting)    Jeff Wilson
President’s Message    Lynn Mahoney
Budget Update    Jeff Wilson / Elena Stoian
Voluntary Service Incentive Program (VSIP) update    Ingrid Williams

BREAK (5 mins.)

Action Item: IDC Policy draft 2nd reading / member vote    Eugene Sivadas
Cabinet Allocation Process    Elena Stoian
Responses from UBC Office Hours (verbal report)    Jeff Wilson / Amy Sueyoshi
Public Forum    ALL
Member Rollcall

and thank you!

UBC sends sincere thanks to outgoing members for their committee service:

• Iese Esera, Chief of Staff, Associated Students
• Shrey Patel, VP of Finance, Associated Students
• Gretchen LeBuhn, Professor of Biology, College of Science & Engineering
Approval of Minutes
from UBC meeting April 18, 2024

All past meeting minutes can be found on the UBC Webpage
President’s Message
GOVERNOR’S MAY REVISION

MAY REVISION
Gavin Newsom, Governor
STATE OF CALIFORNIA
Headlines for CSU/SF State

*Good news:*
Year 3 (2024-25) Compact **Deferral** holds based on April agreement between Governor and Legislature – the “Early Action Plan.” (no change from January proposal)

*Bad news:*
Governor introduces two-year budget model (current year +1 year) and FY 25-26 state budget deficit exceeds FY 24-25 state budget deficit.

*Will (Can) state provide funding for deferral, permanent allocation for 2024-25, and permanent allocation for 25-26?*
How the DEFERRAL works:

2024 – 2025: CSU spends $240 million one-time funds  
(CSU level – not campus level)

2025 – 2026: State reimburses $240 million one-time funds

State appropriates $240 million ongoing funds  
(Compact Year 3 - FY 2024-25)

State appropriates $254 million ongoing funds  
(Compact Year 4 – FY 2025-26)

$240 + $240 + $254 = $734
GOVERNOR’S MAY REVISION

How the DEFERRAL works:

2024 – 2025: CSU spends $240 million one-time funds (CSU level – not campus level) Early Action Plan

2025 – 2026: State reimburses $240 million one-time funds Early Action Plan but pending until final budget act – June 30, 2024

State appropriates $240 million ongoing funds (Compact Year 3 - FY 2024-25) July 2025

State appropriates $254 million ongoing funds (Compact Year 4 – FY 2025-26) July 2025
2024 – 2025 SF State Budget Planning
<table>
<thead>
<tr>
<th>Tuition Revenue</th>
<th>State Appropriation</th>
<th>Compensation Adjustments</th>
<th>Operating Costs</th>
<th>Multi-Year Reductions</th>
</tr>
</thead>
<tbody>
<tr>
<td>6% increase beginning for Fall 2024 (continuing for 2025-26 and 2026-27); enrollment continues to decline from 20,566 FTES in 2023-24 to 18,419 FTES in 2026-27.</td>
<td>Compact holds; CSU reallocates (reduces) SF State funding by 3%; assume Governor’s commitments in January proposal related to deferred funding will hold.</td>
<td>5% salary increases for all employees (+ related benefits costs); additional costs per various CBAs (e.g., raising minimum starting salaries for specific faculty ranges); CSU only partially funds these additional costs.</td>
<td>Costs grow by 3%. Known increases above 3% (e.g., utilities) are also included.</td>
<td>For 2024-25 reduce costs by 5%; for 2025-26 and 2026-27, reduce costs by 3%.</td>
</tr>
</tbody>
</table>
## 2024-25 ASSUMPTIONS & CONDITIONS

<table>
<thead>
<tr>
<th>Tuition Revenue</th>
<th>State Appropriation</th>
<th>Compensation Adjustments</th>
<th>Operating Costs</th>
<th>Multi-Year Budget Reductions</th>
</tr>
</thead>
<tbody>
<tr>
<td>6% increase beginning for Fall 2024; Enrollment projected to decline from 20,566 FTES in 2023-24 to 18,932 FTES in 2024-25.</td>
<td>Compact holds. CSU reallocates (reduces) SF State funding by 3%.</td>
<td>5% salary increases for all employees (+ related benefits costs); additional costs per various CBAs (e.g., raising minimum starting salaries for specific faculty ranges); CSU <em>only partially</em> funds these additional costs.</td>
<td>Costs grow by 3%. Known increases above 3% (e.g., utilities) are also included.</td>
<td>Target for 2024-25 is 5% reduction.</td>
</tr>
</tbody>
</table>

FTES = Full-Time equivalent student

*only partially* funds these additional costs.
<table>
<thead>
<tr>
<th></th>
<th>FY 2023 - 2024</th>
<th>FY 2024 - 2025</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Resources</td>
<td>$362.2</td>
<td>$361.9</td>
<td>-$0.3</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>379.2</td>
<td>384.7</td>
<td>+5.5</td>
</tr>
<tr>
<td>Operating Surplus (Deficit)</td>
<td>($17.0)</td>
<td>($22.8)</td>
<td>+5.8</td>
</tr>
<tr>
<td>One-Time Funds</td>
<td>17.0</td>
<td>22.8</td>
<td>+5.8</td>
</tr>
<tr>
<td>Surplus (Deficit)</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
</tr>
</tbody>
</table>
### 2023-24 RESOURCES ➞ FY 2024-25 RESOURCES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FY 2023 – 2024 Total Resources</strong></td>
<td>$362.2</td>
</tr>
<tr>
<td>Less: 3% Reduction (Chancellor’s Reallocation Plan)</td>
<td>(6.0)</td>
</tr>
<tr>
<td>Add: Mandatory cost support (e.g., compensation, health premiums, insurance)</td>
<td>10.8</td>
</tr>
<tr>
<td>Less: Tuition increase offset by (1) lower enrollments and (2) 30% SUG</td>
<td>(5.5)</td>
</tr>
<tr>
<td>Add: Additional interest revenue</td>
<td>0.4</td>
</tr>
<tr>
<td><strong>FY 2024 – 2025 Total Resources</strong></td>
<td>$361.9</td>
</tr>
</tbody>
</table>

($ in millions)
## 2023-24 EXPENDITURES ➔ FY 2024-25 EXPENDITURES

($ in millions)

<table>
<thead>
<tr>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>$379.2</td>
<td>FY 2023 – 2024 Total Expenditures</td>
</tr>
<tr>
<td>20.6</td>
<td>Add: Mandatory Costs Increases (e.g., compensation, health care premiums)</td>
</tr>
<tr>
<td>1.0</td>
<td>Add: Higher utilities costs</td>
</tr>
<tr>
<td>0.4</td>
<td>Add: Higher risk/campus insurance premiums</td>
</tr>
<tr>
<td>0.5</td>
<td>Add: Higher operating expenses</td>
</tr>
<tr>
<td>(17.0)</td>
<td>Less: Targeted divisional reductions</td>
</tr>
<tr>
<td>$384.7</td>
<td>FY 2024 – 2025 Total Expenditures</td>
</tr>
</tbody>
</table>
## 2024 – 2025 Divisional Reduction Targets

<table>
<thead>
<tr>
<th></th>
<th>Prior FY 2024 – 2025 Salaries + Wages Reduction (@ 3%)</th>
<th>Additional FY 2024 – 2025 Salaries + Wages Reduction (@ 5%)</th>
<th>Updated FY 2024 – 2025 Salaries + Wages Reduction (@ 5 %)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Academic Affairs</strong></td>
<td>-$5.00</td>
<td>-$3.24</td>
<td>-$8.24</td>
</tr>
<tr>
<td><strong>Administration &amp; Finance</strong></td>
<td>-0.90</td>
<td>-0.58</td>
<td>-1.48</td>
</tr>
<tr>
<td><strong>Office of the President</strong></td>
<td>-0.04</td>
<td>-0.03</td>
<td>-0.07</td>
</tr>
<tr>
<td><strong>Student Affairs/Enrollment Mgt</strong></td>
<td>-0.60</td>
<td>-0.39</td>
<td>-0.99</td>
</tr>
<tr>
<td><strong>University Advancement</strong></td>
<td>-0.20</td>
<td>-0.12</td>
<td>-0.32</td>
</tr>
<tr>
<td><strong>University Enterprises</strong></td>
<td>-0.06</td>
<td>-0.04</td>
<td>-0.10</td>
</tr>
<tr>
<td><strong>University-Wide Benefits</strong></td>
<td>-3.40</td>
<td>-$2.40</td>
<td>-$5.80</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-$10.20</td>
<td>-$6.80</td>
<td>-$17.00</td>
</tr>
</tbody>
</table>

($) in millions
Open Items:

1. Savings from VSIP
2. Unfunded mandates (e.g., +3 FTE employees for Title IX Office)
3. Enrollment
4. Operating expense increases
5. Budget negotiations between governor and legislature
6. Divisional budget reductions
Thank you.

Questions?
Voluntary Separation Incentive Program (VSIP) Updates

Ingrid Williams
Associate Vice President, Human Resources
Voluntary Separation Incentive Program (VSIP)

Allocated Budget For VSIP: $3.5 M
Total VSIP Applicants: 87

Total, by Division:

Academic Affairs: 52
Administration & Finance: 32
Office of the President: 1
Student Affairs & Enrollment Management: 1
University Advancement: 1

Total, by Represented groups/bargaining units:

CFA unit R03 (Faculty): Tenure/Tenure Track = 29 (of this, 11 are FERP)

3 Year Lecturers (1.0 FTE) = 7

CSUEU: unit R02 (Healthcare support) = 1
unit R05 (Operations support/Facilities) = 18
unit R07 (Clerical/Administrative support) = 2
unit R09 (Technical support) = 23

APC unit R04 (Academic professionals/advisors) = 0
Teamsters unit R06 (Skilled Workers/Facilities Maintenance) = 5
SUPA unit R08 (University police) = 0
UAPD unit R01 (Physicians) = 0

C99 (Confidential) = 2
Thank you.

Questions?
5 Minute Break
IDC proposed policy
2nd reading and member vote

Eugene Sivadas
IDC Policy Workgoup
Dean, Lam Family College of Business
Indirect Cost Policy Proposal
Second Reading
May 16, 2024

John Kim, Interim AVP of Academic Resources
Gretchen LeBuhn, Professor of Biology, College of Science and Engineering
Tiffany O’Shaughnessy, Associate Professor of Counseling, College of Health & Social Sciences
Michael Scott, AVP for the Office of Research and Sponsored Programs
Eugene Sivadas, Dean, Lam Family College of Business
Audrey Gavino, Parangan-Smith, Co-Director, SF Build
Crystal Kam, College Business Officer, College of Science & Engineering
In May 2021, SF State's Academic Senate passed a "Resolution on the Transparency in Recovery and Allocation of Indirect Cost" (RS21-422), calling for "a taskforce of stakeholders to be convened to review the current IDC allocation policy and consider if revisions should be recommended," and further "calling on the University Budget Committee (UBC) to include IDC recovery and allocation policy as a budget literacy learning objective."

The Workgroup was expected to review the University's current policies and practices around IDC collection and allocation, alongside federal regulations relating to IDC and best practices from peer institutions, and propose recommendations for change if warranted. That workgroup completed its work in August 2022 and came up with a set of recommendations. The current workgroup was tasked with creating a set of policies that could be adopted by the University.
Sponsored projects have direct and indirect costs.

**Direct costs** are specifically and uniquely attributed to and billed to a particular project or activity and are allowable under the sponsoring organizations’ guidelines.

**Indirect costs** are charged to a funder to cover the expenses associated with the facilities and administrative support for a sponsored activity.
IDC Explained

- IDC is not profit but reimbursement of costs incurred by the university for facility and admin. costs
- SFSU IDC rate ranges from 0-55%. ¹
- Each college or unit gets 25% of the IDC it generates and not 25% from a pool.
- SFSU does return 25% of IDC generated regardless of the IDC rate (most universities only return IDC that meets certain rate thresholds)
- The remaining 75% IDC is used to:
  - reimburse A & F ($1.25 Million) for facilities and some administrative costs
  - Salary / Benefits of one ORSP Staff
  - ORSP Operating Expenses including Small Grant Program for Faculty
  - Tiburon Expenses
  - COSE new faculty start-up packages

¹ 0% IDC grants must be primarily focused on supporting students.
Impact of faculty grants on students

$9,031,260

direct student support
### Students supported by faculty grants at ORSP

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Salaries &amp; Wages</strong></td>
<td>$1,705,059.29</td>
</tr>
<tr>
<td>Graduate Assistant</td>
<td>1,016,663.46</td>
</tr>
<tr>
<td>Student Assistant</td>
<td>688,395.83</td>
</tr>
<tr>
<td><strong>Participant Support Costs</strong></td>
<td>$4,831,747.64</td>
</tr>
<tr>
<td>Scholarships</td>
<td>265,063.13</td>
</tr>
<tr>
<td>Stipends</td>
<td>4,400,191.79</td>
</tr>
<tr>
<td>Supplies &amp; Services</td>
<td>117,321.68</td>
</tr>
<tr>
<td>Travel</td>
<td>49,171.04</td>
</tr>
</tbody>
</table>
Students supported by faculty grants at UCORP

Salaries & Wages $ 79,083.00

Participant Support Costs $ 1,338,348.00

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scholarships</td>
<td>49,790.00</td>
</tr>
<tr>
<td>Stipends</td>
<td>1,284,858.00</td>
</tr>
<tr>
<td>Honorarium</td>
<td>3,700.00</td>
</tr>
</tbody>
</table>

Tuition and Fees $ 478,167.78
• SJSU uses a rate threshold of 23% and only returns IDC on grants with IDC rates > 23%
• SFSU gives back 25% of IDC on all grants that generate IDC regardless of IDC rate
• Last year, many departments would have lost all their IDC return if a 20% threshold was in place.
  ➢ The College of Ethnic Studies would have lost their entire distribution.
  ➢ A total 138 PIs generated some IDC and it was distributed.
  ➢ We had 100 PIs with grants with IDC rates above 20%.
  ➢ **About half of the total spending on campus was from grants at 20% or less.**
  ➢ Last year, SJSU gave out $500K, with only $300K going to the colleges.
  ➢ We gave out $1,177,868 to Colleges/Units, nearly 4 times as much as SJSU.
I. Academic Resources shall return 25% of IDC to the college where the grant is generated.

- The remaining 75% of IDC remain in General Fund and are used to pay for financial commitments including Administration and Finance expenses, ORSP operating costs, start-up packages for new faculty hires in COSE, operating costs of the Romberg Tiburon Campus and the Estuary and Ocean Science Center.

- If the fixed costs exceed 75% of total IDC generated, the amount returned to colleges will be pro-rated in subsequent years.

II. Academic resources and ORSP will consult with the University Research, Scholarship, and Creative Activities Council of the Academic Senate before agreeing to new financial commitments.
IDC Distribution Policies

• ORSP shall create a reserve fund equivalent to 20 percent of IDC generated to better weather variations in grant activity.

• Funds from this reserve will be controlled by the AVP of Research and Sponsored Programs and may only be spent to support the research mission of the University.
Each College shall publish a clear policy for how IDC is shared back to the Department.
At present, the College policies are:
<table>
<thead>
<tr>
<th>College</th>
<th>College Split Policy</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>LCA</td>
<td>College retains 100% IDC</td>
<td>Uses it to offset research expenses for new faculty and support faculty research. It also gives up IDC to cost-share in low-IDC grants.</td>
</tr>
<tr>
<td>GCOE</td>
<td>College retains 25 percent and gives 75 percent to the Department</td>
<td>Departments may give it back to the faculty.</td>
</tr>
<tr>
<td>CHSS</td>
<td>College retains 25 percent and gives 75 percent to the Department</td>
<td>Specifically, units utilize 75% of the 25% for faculty travel and OE (Operating Expenses), while the College allocates 25% of the 25% for new faculty professional development and staff professional development.</td>
</tr>
<tr>
<td>COSE</td>
<td>College and Department split 50-50.</td>
<td>In the Dean's Office, we use it to support faculty start-up packages and address equipment and infrastructure problems. The departments use these funds at their discretion but mainly support research efforts.</td>
</tr>
<tr>
<td>LFCoB</td>
<td>College gives 100% to the Department.</td>
<td>Minimal grant-seeking activity. Very small amounts are generated in IDC.</td>
</tr>
<tr>
<td>COES</td>
<td>College retains 100% IDC.</td>
<td>Only small amounts are generated in IDC and are used for faculty professional development.</td>
</tr>
</tbody>
</table>
• Colleges must detail their IDC sharing policies with Departments and the use of retained funds.

• Departments receiving IDC allocations must publish how they spend the funds and what amount they chose not to spend.

• IDC fund distribution should be shared annual faculty with the faculty in Colleges and Departments.
PI Share

• The policy does not mandate a set percent of IDC go back to the PI.
• Many Universities give a set percent back to the PI.
• The logic of PI Share.
• No Automatic Entitlement for PI.
• Departments shall craft a policy on PI share, and ensure that all current and new PIs are aware of the policy.
Increasing Transparency

- By end of fall semester, ORSP website will report the amount of IDC generated by each college in the previous fiscal year, and a report on how IDC retained at Academic Resources and ORSP was spent during the previous fiscal year.

- By the end of the fall semester, each College must publish an annual report posted on their website reporting how much IDC they received and a report on how it was spent.

- By the end of the fall semester, in Colleges where IDC is shared with Departments, department chairs are required to submit an annual report to the faculty reporting the amount of IDC received and a report on how it was spent. One-year holiday for department sharing is proposed.
Suggested Details On College and Departmental IDC Spending

- Student assistants
- Supplies and services
- IT hardware and software
- Research equipment and service contracts
- Infrastructure improvements and remodeling of research spaces
- Support for start-up faculty
- Vehicle operations for field trips
- Faculty professional development
- Health and safety measures, and insurance expenses
Annual Facilities and Administrative Report

https://research.sfsu.edu/annual-facilities-administrative-report
Reserves & Carryforwards (University IDC)

- IDC revenue collected by the University in an upcoming fiscal year cannot be predicted with great accuracy.

- This affects planning for the fiscal year in at least two ways: (a) annual budgets must be allocated without knowing whether annual IDC revenue will be sufficient to cover those budget allocations, and (b) annual spending of IDC may under- or over-estimate the amount of annual IDC revenue. This factor and other emergencies such as unanticipated equipment failure may necessitate the need for reserves.
Reserves and Carry-Forwards

In addition to regular monitoring of IDC spending and IDC revenue during the fiscal year, the following measures shall be enacted:

When possible, a central reserve in the amount of 20% of the previous fiscal year’s IDC revenue will be set aside as a reserve for the current fiscal year. The purpose of this reserve is to ensure that the IDC fund will not end the fiscal year in deficit, under the assumption that IDC revenue for any fiscal year will be at least 80% of the IDC revenue from the previous fiscal year. If there is reason to expect that IDC will increase significantly each year, the central reserve may be reduced to as little as 10%. If there is reason to expect that IDC will decrease significantly in a given year, the central reserve may be increased to as much as 30%.
For any amount of carryforward greater than 20%, the relevant unit must write a justification for the use of that part of the carryforward over the course of the next 3 years.

Unit Specific IDC

- Any unit that receives an IDC distribution can carryforward 20% of its IDC allocation to the following fiscal year without justification. This rule shall not apply if total IDC allocation is less than $10,000.
These policies should be reviewed every 3 years by the University Budget Committee.
Thank you.

UBC voting members, please use the poll to recommend this policy to President Mahoney.
Thank you!
SFSU Allocation Process
Elena Stoian

San Francisco State University
Administration & Finance
### SFSU- ALLOCATION PROCESS

<table>
<thead>
<tr>
<th>HISTORICAL BASE</th>
<th>NEW ALLOCATION (INCREMENT)</th>
<th>DISTRIBUTION (DESIGNATED)</th>
<th>BUDGET</th>
<th>CABINETS</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRIOR YEAR BUDGET</td>
<td>Enrollment Growth</td>
<td>By FTES</td>
<td></td>
<td>Academic Affairs</td>
</tr>
<tr>
<td></td>
<td>Mandatory costs</td>
<td>Benefits reimbursing</td>
<td></td>
<td>University Wide</td>
</tr>
<tr>
<td></td>
<td>General Salary Increases</td>
<td>Union Negotiations &amp; CSU HR technical letters</td>
<td></td>
<td>All cabinets</td>
</tr>
<tr>
<td></td>
<td>New space</td>
<td>Sqf.- maintenance, Utilities, Insurance, IT</td>
<td></td>
<td>Academic Affairs Adm &amp; Finance University Wide</td>
</tr>
<tr>
<td></td>
<td>New programs/Initiatives</td>
<td>Performance-based/ Proforma</td>
<td></td>
<td>Cabinets included in proforma or program</td>
</tr>
</tbody>
</table>
Thank you!

Questions?
Public Forum

Open to all guests and UBC members

Please:

✓ “raise your hand” (found on your Reactions menu, lower right corner)
  Unmute when called upon to speak. For transparency, please begin with your name, title/department. Mute when finished to reduce noise please.

✓ 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 information, past meeting materials, meeting updates and how to contact the UBC

https://adminfin.sfsu.edu/ubc