San Francisco State University
2012-13 Budget Update

September 2012

Budget Administration & Operations
State Budget 2012-13

- Governor’s Budget closes a $15.7 Billion Gap
  Solutions total $16.7 Billion which include $1 Billion in reserve
  - $ 8.1 Billion Expenditure Reductions
  - $ 3.0 Billion Other Revenues and Fund Shifts
  - $ 5.6 Billion Temporary Taxes (Governor’s Tax Initiative)

- Budget relies on the passage of the Governor’s Tax Initiative

- Tax Initiatives on the November ballot
  - **Governor’s Tax Initiative (Proposition 30)**
    Increase taxes on higher income taxpayers for seven years and increase state sales tax by 0.25 percentage points for four years
  - **Munger Tax Initiative (Proposition 38)**
    Raise state income tax for 12 years on ALL but the poorest earners along a sliding scale (greatest burden falling on the wealthiest)

- What Happens if Voters Approve Both?
  - State Constitution states that the measure receiving more “Yes” votes prevails and the other would not go into effect
Summary of Governor’s 2012-13 Budget for the CSU

Long-term Budget Plan for Higher Education (CSU & UC):  NOT adopted

Incorporation of Debt Service into University Budgets:  NOT adopted

Employer rates for retirement (pension) contributions:  NOT adopted

Health Care Benefit Costs:  NOT adopted

One-time transfer of Continuing Education Revenue Funds:  Adopted

State’s Offer of a Delayed Buy-Out of Tuition Fee Roll-Back: The State proposes to “buy-out” the current 9.1% tuition fee increase for the 2012-13 academic year. Both the CSU & UC would receive $125M of state appropriation funding in the 2013-14 academic year.

Two conditions must be met for the CSU & UC to access the appropriation in 2013-14:
(1) the governor’s tax initiative must be enacted and,
(2) CSU & UC must reset its tuition fee rates for the 2012-13 academic year back to the levels in effect for the 2011-12 academic year.
## 2012-13 CSU Budget

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2011-12 Budget</td>
<td>$2.79 Billion</td>
</tr>
<tr>
<td>General Fund Reduction</td>
<td>(650 Million)</td>
</tr>
<tr>
<td>Mid-Year Reduction</td>
<td>(100 Million)</td>
</tr>
<tr>
<td><strong>Final FY 2011-12 Budget</strong></td>
<td>$2.04 Billion</td>
</tr>
</tbody>
</table>

| FY 2012-13 Budget (after base adjustments)                                  | $2.01 Billion |
| $250M Trigger Reduction                                                     | (250 Million) |
| **FY 2012-13 Budget (after Trigger Reduction)**                            | $1.76 Billion |
CSU
General Fund Allocation at 1996-97 levels

* Enrollment has increased over 76K FTES

* Assumes $250M Trigger Cut in 2012-13
CSU Budget Reductions
2011-12 to 2012-13

Budget Reduction Summary

$650M Permanent Reduction ($500M + $150M)

$100M Permanent Reduction (Mid-Year)

$750M Total FY 2011-12 Reductions

Proposed Additional Permanent Reduction

$250M If trigger is pulled for FY 2012-13

$ 1B Permanent Reductions in less than 18 months if the trigger occurs
SF State
2012-13 Operating Budget
<table>
<thead>
<tr>
<th>Description</th>
<th>FTES</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2011-12 General Fund Base</strong></td>
<td>22,800</td>
<td>$152.4</td>
</tr>
<tr>
<td>Governor's $650M Budget Reduction</td>
<td></td>
<td>(40.7)</td>
</tr>
<tr>
<td>Governor’s $100M Mid-Year Reduction</td>
<td></td>
<td>(6.7)</td>
</tr>
<tr>
<td>Retirement Adjustment</td>
<td></td>
<td>(0.8)</td>
</tr>
<tr>
<td><strong>2011-12 Final General Fund Base</strong></td>
<td></td>
<td>$104.2</td>
</tr>
<tr>
<td><strong>2012-13 General Fund Base</strong></td>
<td>22,800</td>
<td>$104.2</td>
</tr>
<tr>
<td>Share of Governor’s $250M Trigger Reduction</td>
<td></td>
<td>(17.4)</td>
</tr>
<tr>
<td>State Interest Assessment</td>
<td></td>
<td>(0.2)</td>
</tr>
<tr>
<td>Tuition Fee Discount Adjustment (State University Grant)</td>
<td></td>
<td>0.6</td>
</tr>
<tr>
<td><strong>2012-13 General Fund Base Allocation</strong></td>
<td>22,800</td>
<td>$87.2</td>
</tr>
</tbody>
</table>
SF State Budget Reductions  
2008-09 to 2012-13  
(in millions)

### General Fund Reductions

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>08-09</td>
<td>$66.3M Budget Reduction</td>
<td>($3.9M)</td>
</tr>
<tr>
<td>09-10</td>
<td>$571.1M Budget Reduction</td>
<td>(37.2M)</td>
</tr>
<tr>
<td>10-11</td>
<td>Enrollment Increase &amp; Operating Support</td>
<td>13.6M</td>
</tr>
<tr>
<td>11-12</td>
<td>$750M Budget Reduction &amp; Enrollment Increase</td>
<td>(40.1M)</td>
</tr>
<tr>
<td>12-13</td>
<td>$250M Budget Reduction if trigger is pulled</td>
<td>(17.4M)</td>
</tr>
</tbody>
</table>

Net Fiscal Effect: ($85M)
SF State
General Fund Allocation at 1994-95 levels

* Enrollment has increased over 4K FTES

* Assumes $250M Trigger Cut in 2012-13
SF State Operating Budget Impact 2012-13
(in millions)

Share of $250M Trigger Reduction  $ (17.4)

General Fund Adjustments:
  State Interest Adjustment  (.2)

Additional Operating Impact:
  Unfunded Mandatory Costs  (1.0)
  Non-General Fund Summer 2012  (5.0)
  One-time 2011-12 Solution  (14.6)

Total Budget Impact  $ (38.2)
<table>
<thead>
<tr>
<th>Solutions:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition Fee Increase (9.1%) General Fund Offset, net Financial Aid</td>
<td>8.0</td>
</tr>
<tr>
<td>Unallocated Budget Reduction</td>
<td>8.0</td>
</tr>
<tr>
<td>Revenue and Expenditure Adjustments*</td>
<td>1.9</td>
</tr>
<tr>
<td>Summer 2012 Self-Support</td>
<td>5.0</td>
</tr>
<tr>
<td>One-time Carry Forward</td>
<td>15.3</td>
</tr>
<tr>
<td><strong>Total Budget Solutions</strong></td>
<td><strong>$ 38.2</strong></td>
</tr>
</tbody>
</table>

* Such as application fees, interest assessment, operating support reductions
SF State
2012-13 Projected Revenues
(in millions)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund Allocation</td>
<td>$ 87.2</td>
</tr>
<tr>
<td>Tuition Fees</td>
<td>161.7</td>
</tr>
<tr>
<td>Nonresident Tuition</td>
<td>15.8</td>
</tr>
<tr>
<td>Application Fee</td>
<td>1.8</td>
</tr>
<tr>
<td>CEL Summer &amp; AY Support ($5M &amp; $2.1M)</td>
<td>7.1</td>
</tr>
<tr>
<td>Student Health (pass-through)</td>
<td>7.6</td>
</tr>
<tr>
<td>Reimburse Released Time</td>
<td>2.8</td>
</tr>
<tr>
<td>Federal Work Study and Reimbursements</td>
<td>1.7</td>
</tr>
<tr>
<td>Other Fees &amp; Sources</td>
<td>5.4</td>
</tr>
<tr>
<td>One-time Carry Forward</td>
<td>15.3</td>
</tr>
<tr>
<td><strong>2012-13 Projected Revenues</strong></td>
<td><strong>$ 306.4</strong></td>
</tr>
</tbody>
</table>
SF State
2012-13 Sources of Revenue

Fees and Other Revenue
$203.9M
66.5%

One-Time Reserves
$15.3M
5.0%

State Appropriation
$87.2M
28.5%

Total Operating Revenue: $306.4M
SF State
2012-13 Fees and Other Revenue

Tuition Fees
$161.7M
79.2%

Non-Resident Tuition
$15.8M
7.8%

Application Fees
$1.8M
0.9%

Other Fees
$5.4M
2.7%

Workstudy
$1.7M
0.8%

Student Health
$7.6M
3.7%

CEL Summer / AY Support
$7.1M
3.5%

Reimbursed Release Time
$2.8M
1.4%

Total Fees and other Revenue: $203.9M
SF State
2012-13 Operating Budget Expenditures

Total University Budget: $306.4M
SF State
2012-13 Operating Budget
Benefits & Cabinet Area

- **Student Affairs**
  - $71.8M
  - 23.5%

- **University Advancement**
  - $4.5M
  - 1.5%

- **Executive**
  - $2.8M
  - 0.9%

- **Academic Affairs**
  - $118.9M
  - 38.7%

- **Administration & Finance**
  - $40.2M
  - 13.1%

- **Benefits**
  - $68.2M
  - 22.3%

**Total Operating Budget:** $306.4M
SF State
2012-13 Operating Budget
Cabinet Area

- Executive
  - $3.2M
  - 1.0%

- Administration & Finance
  - $52.0M
  - 17.0%

- Academic Affairs
  - $167.5M
  - 54.6%

- Student Affairs
  - $77.7M
  - 25.4%

- University Advancement
  - $6.0M
  - 2.0%

Total Operating Budget: $306.4M
SF State
2012-13 Operating Budget
Salaries
SF State
2012-13 Operating Budget
Budgeted Salaries

Total Salaries: $152.6M
SF State
2012-13 Operating Budget
Budgeted Salaries

Perm/Prob Staff 35.5%
Management 9.9%
All Faculty 51.2%
Dept. Chairs 2.5%
Student Assistant 0.7%
Temporary Help 0.2%

Total Salaries: $152.6M
SF State
2012-13 Operating Budget
Budgeted Faculty Positions

T/TT Faculty 76.9%
Other Faculty 2.7%
Lecturers 20.4%

Total Faculty Salaries: $78.1M
SF State

2012-13 Operating Budget
Expenditure Categories
SF State
2012-13 Operating Budget
Major Expenditure Categories

- Salaries: $152.6M (49.8%)
- Benefits: $68.2M (22.3%)
- Operating Expenses: $10.8M (3.5%)
- Financial Aid: $51.8M (16.9%)
- Non-Discretionary: $23.0M (7.5%)

Total Operating Budget: $306.4M
SF State
2012-13 Operating Budget
Financial Aid and Non-Discretionary Expenditures

Total Financial Aid and Non-Discretionary Expenditures: $74.8M
SF State
2012-13 Operating Budget
Expenditure Categories

- Salaries: $152.6M (49.7%)
- Benefits: $68.2M (22.3%)
- Other Mandatory: $0.9M (0.3%)
- Deferred Maint.: $2.3M (0.8%)
- Risk Mgmt. Authority Premiums: $5.0M (1.6%)
- Utilities: $5.1M (1.7%)
- Financial Aid: $51.8M (16.9%)
- Operating Expenses: $8.5M (2.8%)
- Contractual Services: $1.6M (0.5%)
- Library Materials: $2.8M (0.9%)

Total Operating Budget: $306.4M
SF State
2012-13 Operating Budget
Salaries & Benefits
SF State
2012-13 Operating Budget
Salaries and Benefits by Cabinet Area

Salaries and Benefits: $220.8M
SF State
2012-13 Operating Budget
Salaries and Benefits

Salaries
$152.6M
69.1%

Benefits
$68.2M
30.9%

Salaries and Benefits: $220.8M
SF State
2012-13 Operating Budget
Cabinet Budgets
Academic Affairs
2012-13 Operating Budget

Salaries $112.5M 67.2%
Benefits $48.7M 29.0%
Operating Expenditures $1.5M 0.9%
Library Materials $2.8M 1.7%
Equipment $1.5M 0.9%
Mandatory Expenditures $0.5M 0.3%

Allocation: $167.5M
Administration & Finance
2012-13 Operating Budget

Salaries
$23.7M
45.7%

Benefits
$11.8M
22.6%

Deferred Maint.
$2.3M
4.5%

Operating Expenditures
$2.7M
4.8%

Risk Pool Premiums
$5.0M
9.7%

Other Mandatory Expenditures
$1.4M
2.8%

Utilities
$5.1M
9.9%

Allocation: $52.0M
Executive

2012-13 Operating Budget

Salaries
$1.1M
34.5%

Benefits
$383.7K
11.9%

Operating Expenditures
$146.2K
4.5%

Emergency Fund
$1.2M
37.4%

Legal Fees
$300.0K
9.3%

University Memberships
$77.0K
2.4%

Allocation: $3.2M
Student Affairs
2012-13 Operating Budget

Financial Aid
$51.8M
66.7%

Mandatory Expenditures
$0.6M
0.7%

Salaries
$11.4M
14.7%

Benefits
$5.9M
7.5%

Operating Expenditures
$0.4M
0.6%

Student Health Svcs.
$7.6M
9.8%

Financial Aid
$51.8M
66.7%

Mandatory Expenditures
$0.6M
0.7%

Salaries
$11.4M
14.7%

Benefits
$5.9M
7.5%

Operating Expenditures
$0.4M
0.6%

Student Health Svcs.
$7.6M
9.8%

Allocation: $77.7M
University Advancement
2012-13 Operating Budget

Allocation: $6.0M
San Francisco State University
Other Charts
SF State
State Shifts Burden to Students

1996-97
- State Support (General Fund): 68%
- Tuition Fees and Other Support: 32%

2007-08
- State Support (General Fund): 64%
- Tuition Fees and Other Support: 36%

2012-13
- State Support (General Fund): 31%
- Tuition Fees and Other Support: 69%

* Assumes $250M Trigger Cut in 2012-13
SF State
Declining State Support Forces More Reliance on Student Fees

(in 2012 Constant Dollars)

* Assumes $250M Trigger Cut in 2012-13
SF State
Tuition Fees Surpass State Appropriation

% GF % Tuition Fees

* Assumes $250M Trigger Cut in 2012-13
## SF State
### Student FTE and Funding Since 2007-08

<table>
<thead>
<tr>
<th>Year</th>
<th>Resident Student FTE</th>
<th>State General Fund</th>
<th>Tuition Fee Revenue (net of financial aid)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007-08</td>
<td>23,416</td>
<td>$171,416,331</td>
<td>$59,991,500</td>
</tr>
<tr>
<td>2008-09</td>
<td>23,416</td>
<td>$170,761,449</td>
<td>$65,659,500</td>
</tr>
<tr>
<td>2009-10</td>
<td>23,416</td>
<td>$128,676,149</td>
<td>$84,253,400</td>
</tr>
<tr>
<td>2010-11</td>
<td>22,044</td>
<td>$125,952,139</td>
<td>$85,648,600</td>
</tr>
<tr>
<td>2011-12</td>
<td>22,800</td>
<td>$104,193,559</td>
<td>$106,129,700</td>
</tr>
</tbody>
</table>

**2012-13 Gov. Budget Including $250M Trigger**

<table>
<thead>
<tr>
<th>Year</th>
<th>State General Fund</th>
<th>Tuition Fee Revenue (net of financial aid)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012-13</td>
<td>$104,193,559</td>
<td>$106,129,700</td>
</tr>
</tbody>
</table>
SF State
TUITION FEE DISCOUNT (STATE UNIVERSITY GRANT)

General Fund Allocation
Non Resident Tuition and Other Revenue
State University Tuition Fee less State University Grant
State University Grant

* Assumes $250M Trigger Cut in 2012-13
## Impact of Governor’s Budget

<table>
<thead>
<tr>
<th>GOVERNOR’S CUT TO CSU</th>
<th>IMPACT TO SF STATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROPOSED $250 MILLION TRIGGER REDUCTION IN 2012-13</td>
<td>$17.4 MILLION PROJECTED REDUCTION</td>
</tr>
<tr>
<td>$750 MILLION REDUCTION IN 2011-12</td>
<td>$47.4 MILLION PERMANENT REDUCTION</td>
</tr>
</tbody>
</table>