San Francisco State University
Fiscal Year 2019-20 Budget
• Welcome, Introduction and Objectives
• State of California Budget
• California State University (CSU) Budget
• SF State General Fund Operating Budget
• SF State Consolidated Budget
• SF State Capital Budget
• Dialogue (Q&A)
Budget Town Hall
Objectives
BUDGET TOWN HALL OBJECTIVES

Learning Objectives
• Enhance understanding of university budget across campus community
• Explain budget development process and major budget components
• Crosswalk between the State, CSU System and SF State budgets

Meeting Guidelines
• Respect attendees time and hold questions until the end
• Participate in customer feedback survey
• Quiet Cell Phones
• Invite additional meetings with shared governance groups
University Budget Model
SF STATE BUDGET MODEL

SF STATE HYBRID BUDGET MODEL

- Incremental (State Allocation)
- Performance (Graduation Initiatives 2025)
- Formula Base (College Allocations)
- Decentralized (Cabinet to Division Level)
- Strategic Initiative- (Requests)
# UNIVERSITY BUDGET CONCEPTS

## WHAT IS IT?

<table>
<thead>
<tr>
<th><strong>BASE</strong></th>
<th><strong>ONE-TIME</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget For Permanent Expenditures Which Recur Annually</td>
<td>Budget Provided For A Specific Length Of Time. They Are Non Recurring</td>
</tr>
</tbody>
</table>

## HOW IS FUNDED?

<table>
<thead>
<tr>
<th><strong>BASE</strong></th>
<th><strong>ONE-TIME</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Year Operating Fund Budget</td>
<td>Reserve (2)/Carryforward Balances (3)</td>
</tr>
</tbody>
</table>

## EXAMPLES

<table>
<thead>
<tr>
<th><strong>BASE</strong></th>
<th><strong>ONE-TIME</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Costs, Benefits, Operating Expenditures (1), Utilities, Risk Pool</td>
<td>Campus/Units - Strategic Initiatives</td>
</tr>
</tbody>
</table>

Notes: (1) Operating expenditures can be: travel, training, instructional equipment, supplies and service, etc. (2) Reserve: An amount of a fund balance set aside to provide for expenditures from the unencumbered balance for continuing appropriations, economic uncertainties, future apportionments, pending salary or price increase appropriations, and appropriations for capital outlay projects; (3) Carryforward: unexpended balances at the end of the year
Budget Development Cycle
STATE OF CALIFORNIA BUDGET CYCLE

July-Oct

CSU Budget Planning

November

CSU Trustees Adopts Budget Request for Submission to Governor

January

Governor’s Budget Submitted To Legislature

February

Legislative Analyst’s Budget Review Released

May

Governor’s Budget-May Revise

June

State Budget Adopted
CSU BUDGET CYCLE

- May - Jun
  - System Budget Advisory Committee (SBAC) consultation
  - CSU constituent consultation
  - Final budget allocations to campuses

- July
  - Budget consultation with CSU university Presidents
  - Budget consultation with SBAC
  - Budget Planning with the Board of Trustees

- Aug - Sept
  - CSU constituent consultations
  - Trustees adopt Operating Budget Plan

- Oct - Nov
  - Review CSU enrollment
  - Governor’s Budget submitted to Legislature

- Dec - Jan
  - Legislative Analyst’s analysis of the budget
  - CSU Constituent Briefings
  - Preliminary Budget Information

- February
  - State Budget adopted

Note: Gold color for Current Fiscal Year; Purple color for Next Fiscal Year
SF STATE BUDGET CYCLE

Jan-Mar
- Campus Planning Assumptions
- Preliminary Budget Allocations
- Campus Enrollment Targets used for planning
- Publish Budget Manual (on-line)

May
- Budget call for Self-supports units and Auxiliaries

Jun
- Campus Units General Fund Budget Call
- Budget Adm.& Operation review
- Financial review meetings in preparation for the President & CFO review

Jul
- President & CFO meetings with the Cabinet VPs
- Campus budget submission to Chancellor’s Office
- Base budget upload in financial system

Aug
- Campus strategic initiatives approval
- Revised budget upload in financial system

Sept-Oct
- Campus Budget Book Published (on-line)

Nov-Dec
2019-20 California State Budget
Expectation of continued but moderate level of growth in the forecast period with real GDP growth of 2.7 percent in 2019 gradually slowing to 1.5 percent by 2022.

In coming years, growth is assumed to be driven by consumption as real wage growth increases for more workers.

Inflation gradually slowing down while Federal interest rate continue to increase.

Job growth slowing but expected to rise and unemployment will remain low

High statewide median housing prices is projected to continue to slow job growth and is the main driver of inflation in California

Consumer inflation expected to remain high

Source: California State Budget 2019-20
Risks and Challenges for Changing Economy

- Stock Market Correction Expected
- Risk and Forecasted Eventual US Recession
- Geopolitical Risks that affects US Growth

Source: California State Budget 2019-20
(In billions)

Personal Income $102
Sales & Use Taxes 27
Corporation Tax 13
Insurance Tax & Other 1

$143
STATE OF CALIFORNIA FY2019-20 ENACTED BUDGET - EXPENDITURES

(In billions)

K-12 Education $58
Health and Human Services 42
Higher Education\(^{(1)}\) 18
Corrections and Rehabilitation 13
Legislative, Judicial, Executive 5
Natural Resources 4
Other 7

$147

\(^{(1)}\) – includes UC, CSU and CCC
Budget Planning Objectives
SF STATE FY2019-20 BUDGET PLANNING OBJECTIVES
(CONTINUATION OF FY2018-19)

Sustainability
- Outline Campus Base Budget
- Optimization of “ALL” funding sources
- Capital budget aligned with strategic projects
- Structured prioritization of budget requests
- Financial oversight reviews

Transparency
- Publish budget book on-line
- Campus budget forums
- Fiscal and budget training

Engagement
- Budget process assessment survey
- Shared governance feedback on planned procedure changes
- Collaboration and suggestions for cost efficiency and reduction initiatives
**SF STATE FY2020-21 BUDGET PLANNING GOALS**

**Sustainability**
- Budget model enhancements
- University wide hiring plan and position management
- Financial resource alignment with strategic, academic and IT plans
- Cost structure analysis and performance targets

**Transparency**
- Management decision support tools/dashboards
- Strategic reserve fund management and targets
- Shared and common cost reporting

**Engagement**
- Formal feedback/response platform
- Optimal space utilization
- Reporting outcomes and savings from cost efficiency and reduction initiatives
FY2019-20 California State University (CSU) Budget
FY2019-20 ENACTED STATE OF CALIFORNIA BUDGET ALLOCATION PROCESS

STATE OF CALIFORNIA\(^{(1)}\) - $147 Billion

HIGHER EDUCATION\(^{(2)}\) - $17.5 Billion
12% of State Budget

CSU\(^{(3)}\) - $3.9 Billion
22% of the Higher Education Budget

SF STATE\(^{(4)}\) - $198 Million
5% of CSU Campus Budgets

Note: \(^{(1)}\) State of California General Fund budget; \(^{(2)}\) Includes UC, CSU & CCC; \(^{(3)}\) California State General Fund State allocation; \(^{(4)}\) SF State University Base State Allocation
### FY2019-20 SF STATE BUDGET ALLOCATION

<table>
<thead>
<tr>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>One-Time</td>
<td>Base</td>
<td>One-Time</td>
</tr>
<tr>
<td>Graduation Initiative (GI) 2025</td>
<td>-</td>
<td>75</td>
<td>30</td>
</tr>
<tr>
<td>Compensation</td>
<td>-</td>
<td>148</td>
<td>-</td>
</tr>
<tr>
<td>Enrollment Growth 2% (1)</td>
<td>-</td>
<td>108</td>
<td>-</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>250</td>
<td>80</td>
<td>239</td>
</tr>
<tr>
<td>Mandatory Cost Increase</td>
<td>-</td>
<td>45</td>
<td>-</td>
</tr>
<tr>
<td>Basic Needs Initiatives (2)</td>
<td>15</td>
<td>-</td>
<td>46</td>
</tr>
<tr>
<td>Legal Services- Health and Human Serv. Chapter</td>
<td>-</td>
<td>-</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$265</strong></td>
<td><strong>$456</strong></td>
<td><strong>$322</strong></td>
</tr>
</tbody>
</table>

(1) Includes only the state allocation for enrollment growth (tuition revenue estimated at $2.3mil)

(2) Base-Rapid rehousing -$6.5 mil; Summer financial aid- $6mil; Project rebound-$3.3 mil; Capital Fellows Program-$107K; One time-Student hunger -$15 mil; Potential CSU campuses – $4mil; Various programs, services and research-$27.2mil
FY2019-20 SF State General Fund Budget
# FY2019-20 Budget Planning Assumptions

(In thousands)

## General Fund Allocation

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2018-19 Base Allocation</td>
<td>$182,087</td>
</tr>
<tr>
<td>FY2019-20 Compensation</td>
<td>9,215</td>
</tr>
<tr>
<td>Health Benefits</td>
<td>430</td>
</tr>
<tr>
<td>Retirement Rate Adjusted Increase</td>
<td>769</td>
</tr>
<tr>
<td>Min Wage Increase</td>
<td>139</td>
</tr>
<tr>
<td>Graduation Initiative 2025</td>
<td>2,121</td>
</tr>
<tr>
<td>Enrollment Growth (at 1.96%)</td>
<td>5,469</td>
</tr>
<tr>
<td>General Fund Adjustment(1)</td>
<td>-2,294</td>
</tr>
<tr>
<td><strong>Total Additional Allocation</strong></td>
<td>$15,933</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$198,020</td>
</tr>
</tbody>
</table>

(1) Expense adjustment State Univ. Grant as part of tuition revenue
## FY2019-20 BUDGET PLANNING ASSUMPTIONS WITH 2% FTE GROWTH

### TUITION REVENUE & FEES

<table>
<thead>
<tr>
<th></th>
<th>Enrollment</th>
<th>Tuition and Fees</th>
<th>(In thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
</tr>
<tr>
<td><strong>Resident FTES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Target</strong></td>
<td>24,173</td>
<td>1,534</td>
<td>$167,494</td>
</tr>
<tr>
<td><strong>Non-resident FTES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Gross Tuition Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY2018-19 ACTUALS</td>
<td>24,582</td>
<td>1,501</td>
<td>169,688</td>
</tr>
<tr>
<td><strong>VARIANCE</strong></td>
<td>2,194</td>
<td>-$3,865</td>
<td></td>
</tr>
</tbody>
</table>

**Assumptions:**
Headcount Flat
Increased Average Unit Load
CATEGORY 1:
System wide mandatory fees that supports campus General Fund operating budget. Fees that must be paid to apply to, enroll in, or attend the university or pay full cost of instruction.

• Resident Tuition Fee
• Non-resident tuition
• Professional Program Fee
• Application Fee

CATEGORY II:
Campus mandatory fees. Fees that must be paid to enroll in SFSU. Supports Self-support programs and other campus sources i.e. Gator Pass.

• Student Body Center
• Student Body Association
• Recreation & Wellness Center - Mashouf
• Health Facility Fee
• Student Health Services
• Instructional Related Activities Fee
  (IRA General & Athletics Fee)
• Campus Service Card Fee
• Gator Pass

CATEGORY III:
Miscellaneous course fee. Fees associated with a state supported course for materials and services used in course instruction. Supplement campus operating budget.

• 47 campus funds for miscellaneous category 3 fees
FY2019-20 SF STATE PLANNING ASSUMPTIONS CAMPUS FEE CATEGORIES

**CATEGORY IV:**
Fees other than Category II or III paid to receive materials, services, use of facilities, fees resulting from dishonored payments, late submissions, misuse of property, or security deposits. Other campus sources.

**CATEGORY V:**
Fees paid to SELF-SUPPORT PROGRAMS such as extended education, Cal State Online extended education offerings, parking and housing including materials and services fees, user fees, fines, and deposits. Self-support programs are defined as those not receiving state general fund appropriations; instead, fees are collected to pay the full cost of a program.

**CATEGORY VI:** System wide voluntary fees.
SF STATE - RESOURCE ALLOCATION APPROACH

Mandatory costs are taken off-the-top before the units receive the base budgets; incremental FTES are allocated based on formula, one-time money are funding strategic initiatives based on outcomes.
SF STATE BUDGET ALLOCATION PROCESS

GENERAL OPERATING FUND- $402 million

State Allocation- $198 million
Tuition & Other Fees- $198 million

CENTRALLY MANAGED- $180 million
Benefits, Financial Aid, Utilities, Risk Pool

CABINET ALLOCATIONS- $222 million
AA, SAEM, OP, UA, UE and A&F (*)

(*) Academic Affairs, Student Affairs & Enrollment Management, Office of the President, University Advancement, University Enterprises, Administration & Finance
FY2019-20 SF STATE GENERAL FUND BUDGET-REVENUES

(In millions)

State Allocation 198
Higher Education Fees 186
Other Financial Sources¹ 1
Cost Recovery² 11

$ 396

¹ Interest revenue
² Cost recovery, Cost Allocation, Reimbursement release time, Est. retirement adjustment.

TOTAL REVENUES: $396 M
### FY2019-20 SF State General Fund Budget-Expenditures

(In millions)

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries &amp; Wages</td>
<td>216</td>
</tr>
<tr>
<td>Benefits</td>
<td>107</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>14</td>
</tr>
<tr>
<td>Financial Aid &amp; Work Study</td>
<td>48</td>
</tr>
<tr>
<td>Utilities</td>
<td>7</td>
</tr>
<tr>
<td>Risk Pool (2)</td>
<td>6</td>
</tr>
<tr>
<td>Deferred Maintenance</td>
<td>2</td>
</tr>
<tr>
<td>Finance Lease (1)</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 402</strong></td>
</tr>
</tbody>
</table>

**TOTAL EXPENDITURES: $402 M**

(1) Creative Arts replacement Building Loan
(2) Risk Pool - Insurance

- **Salaries & Wages**: 54%
- **Benefits**: 27%
- **Financial Aid & Work-Study**: 12%
- **Operating Expenses**: 3%
- **Utilities**: 2%
- **Risk Pool**: 1%
- **Deferred Maintenance**: 1%

**Budget Categories**

- **Salaries & Wages**: $216 million (54%)
- **Benefits**: $107 million (27%)
- **Financial Aid & Work-Study**: $48 million (12%)
- **Operating Expenses**: $14 million (3%)
- **Utilities**: $7 million (2%)
- **Risk Pool**: $6 million (1%)
- **Deferred Maintenance**: $2 million (1%)
- **Finance Lease**: $2 million (1%)

**Notes**

- (1) Creative Arts replacement Building Loan
- (2) Risk Pool - Insurance
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>GSI (1)</td>
<td>10</td>
</tr>
<tr>
<td>Financial Aid</td>
<td>48</td>
</tr>
<tr>
<td>Deferred Maintenance</td>
<td>2</td>
</tr>
<tr>
<td>Other (2)</td>
<td>17</td>
</tr>
<tr>
<td>Centrally Managed (3)</td>
<td>$ 77</td>
</tr>
</tbody>
</table>

**TOTAL ALLOCATIONS BY CABINET: $402 M**

**Explanation:**

1. **GSI (1)** - general salary increases included benefits.
2. **Other (2)** - Utilities, insurance, loan payment, etc.
3. **Centrally Managed (3)** - Benefits has been distributed to the Cabinets.
FY2019-20 SF State Consolidated Operating Budget
FY2019-20 SF STATE CONSOLIDATED OPERATING BUDGET

TOTAL: $597 M

GENERAL FUND

CONSOLIDATED BUDGET

SELF-SUPPORTS

OTHER FUNDS

GRANTS & CONTRACTS

AUXILIARIES

FY2019-20 %

GENERAL FUND 66%

SELF-SUPPORTS (1) 19%

OTHER FUNDS 7%

GRANTS & CONTRACTS 5%

AUXILIARIES (2) 2%

100%

Note: (1) Self-Supports: Revenues must cover expenditures and do not receive state support; (2) Auxiliaries: Separate legal entities authorized in the Education Code to provide essential services to students and employees. Fiduciary responsibility to governing boards.
FY2019-20 SF STATE CONSOLIDATED BUDGET REVENUES

(In millions)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Allocation</td>
<td>198</td>
</tr>
<tr>
<td>Higher Education Fees (1)</td>
<td>215</td>
</tr>
<tr>
<td>Sales and Services of Auxiliary (2)</td>
<td>90</td>
</tr>
<tr>
<td>Other Financial Sources (3)</td>
<td>41</td>
</tr>
<tr>
<td>Grants and Contracts</td>
<td>29</td>
</tr>
<tr>
<td>PaCE Fees (4)</td>
<td>14</td>
</tr>
<tr>
<td>Transfers In (5)</td>
<td>8</td>
</tr>
<tr>
<td>Revenue from Investments</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>597</strong></td>
</tr>
</tbody>
</table>

Notes:

(1) Higher Ed. Fees: State Univ. Tuition fee, N-R fee, Appl. fee, Std. Health fee, I.R.A fee & Based mandatory fee
(2) Associated Student, Campus Recreation, Housing, Parking, U-Corp, Children Campus
(3) Other Financial Sources: Cost Recovery, Cost Allocation, IDC, misc. fee from various self support
(4) College of Extended Learning
(5) Transfer in: NR301, Misc. Fee, Residential Life & Lottery Fund
(In millions)

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries &amp; Wages</td>
<td>256</td>
</tr>
<tr>
<td>Benefits</td>
<td>126</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>112</td>
</tr>
<tr>
<td>Financial Aid &amp; WorkStudy</td>
<td>48</td>
</tr>
<tr>
<td>Debt Service Payment</td>
<td>22</td>
</tr>
<tr>
<td>Campus Services</td>
<td>20</td>
</tr>
<tr>
<td>Utilities</td>
<td>13</td>
</tr>
<tr>
<td>Risk Pool</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>$ 603</td>
</tr>
</tbody>
</table>

Notes:
Campus services: Facilities and IT support for the self-support operations
Auxiliaries
FY2019-20 SF STATE AUXILIARIES

FY2019-20 Budget

- Associated Students = $9.3M
- Foundation = $2.1M
- University Corporation = $3.1M

Total = $14.5M

- Separate legal entities authorized to provide essential services to the CSU educational programs.
- Fiduciary responsibility to governing boards.
- The Foundation Board *operating* budget is $2.1M (the University Campaign is $150M)
Self-Supported Operations
Self-Supported Units: Revenues must cover expenditures and they do not receive state support

Athletics
Children’s Campus
Campus Recreation-Mashouf
Parking & Transportation
Student Health
Continuing Education Learning
Housing, Dining & Conference Services

FY2019-20 Budget Revenue = $111 M
Note: Athletics includes general fund and instructional related activities campus mandatory fee.
FY2019-20 SF State Capital Budget
FY2019-20 SF STATE CAPITAL BUDGET

2019-20 Top 5 Projects
Total Budget: $ 59

- Creative Arts Replacement Bldg. $39
- Thornton Hall Sprinkler & Fire Alarm $3
- Science Replacement Bldg. $11
- ES-PSY Bldg. Elevator Modernization $3
- Campus Unified Communications Solutions (VOIP)

Notes: ES-PSY = Ethnic Studies-Psychology
Excluded $129M Holloway Student Housing Mixed-Use Project. It is private funding: Public-Private/Public Partnership (PPP)

Carryforward Budget: 61
2019-20 New Budget: 47
FY2019-20 Capital Budget: $108

(In millions)
QUESTIONS?
Thank you for attending!

Contact us at:

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