Summary of the Governor’s 2016/17 Budget
Summary of the Governor’s 2016/17 State Budget

Budget Highlights

- $122.6 billion spending plan
- Advances multi-year budget plan expected to remain balanced in future years
- State revenues forecasted to increase
- Continue its reinvestment in education
  - Increase in Prop 98 Funding, $7.6 billion, total budget $68.4 billion
  - Funding increase for CSU and UC
- Retirement Costs expected to increase
- Rainy Day/Reserve Fund: Constitutional amendment to strengthen reserve fund
- Pay-Down Wall of Debt: maybe eliminated by 2017-18
- The state’s current fiscal condition continues to improve, however it requires fiscal restraint
Summary of the Governor’s 2016/17 State Budget

Risks Remain

- The Budget assumes the continued expansion of economy, another recession should be planned for.
- Long-Term Liabilities: State continues to address other long-term costs pressures, debts, and liabilities
- Capital Gains are at an all high in 2015; as a result by the end 2015-16 Rainy Day Fund will meet 35% of the target.
- Last year with the full revenue of Proposition 30 (Governor’s tax initiative)
- World events will affect the fiscal outlook of California
Governor’s Budget Act
2016/17 General Fund Revenue Sources

(Dollars in Millions)

Total: $124.2 Billion
Governor’s Budget Act
2016/17 General Fund Expenditures by Agency

(Dollars in Millions)

- Natural Resources: $2,909 (2%)
- Legislative, Judicial, Executive: $3,330 (3%)
- K-12 Education: $51,230 (42%)
- Health and Human Services: $33,742 (27%)
- Corrections and Rehabilitation: $10,620 (9%)
- Other: $6,211 (5%)
- Higher Education: $14,567 (12%)

Total: $122.6 Billion
Governor’s Budget Act
2016/17 California State University Budget

Budget Highlights

- $148.3 million based funding, part of the Governor’s multi-year funding plan
- Shift general obligation and lease revenue bond debt-service into CSU’s budget
- Student success remains a major priority:
  - Improving graduation rates
  - Increasing the number of transfer students from community colleges
  - Increasing the number of degrees completed

Other Budget Items

- $35M Deferred Maintenance (one-time)
- $35M Energy Projects-Using Cap and Trade funds
- Report on Graduation Factors
- Academic Sustainability Plan
## 2016/17 Support Budget
(Dollars in Millions)

<table>
<thead>
<tr>
<th>Category</th>
<th>CSU Support Budget</th>
<th>Governor’s Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enrollment Growth FTE</td>
<td>10,700</td>
<td>3,560</td>
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<tr>
<td>Enrollment Growth ($)</td>
<td>$50.9</td>
<td>$20.7</td>
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<tr>
<td>Student Success and Completion</td>
<td>50.0</td>
<td>0.0</td>
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<tr>
<td>Mandatory Costs Increase (health benefits, space)</td>
<td>43.0</td>
<td>50.8</td>
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<tr>
<td>2% Compensation Increase</td>
<td>69.6</td>
<td>69.6</td>
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<tr>
<td>Academic Facilities &amp; Infrastructure Needs</td>
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<td>25.0</td>
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<tr>
<td>System Wide Initiatives</td>
<td>0.0</td>
<td>7.2</td>
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<tr>
<td><strong>Total Budget Increase in State Support</strong></td>
<td><strong>$241.5</strong></td>
<td><strong>$148.2</strong></td>
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<tr>
<td>Deferred Maintenance (one-time)</td>
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<td>35.0</td>
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<tr>
<td>Energy Projects (one-time)</td>
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<tr>
<td><strong>Total 16/17</strong></td>
<td><strong>$241.5</strong></td>
<td><strong>$218.2</strong></td>
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</table>
Fiscal Year 2016/17
San Francisco State University
Budget Summary
April 2016
University Budget Committee
### 2015-16 General Fund Base

<table>
<thead>
<tr>
<th>FTES</th>
<th>Amount</th>
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<tr>
<td>23,836</td>
<td>$142,709,859</td>
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### 2016-17 Funding

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Retirement Rate Increase Adjustment</td>
<td>1,448,000</td>
</tr>
<tr>
<td>Health Benefit Rates Adjustment</td>
<td>2,268,000</td>
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<tr>
<td>Growth Tuition Fee Discount Adj.</td>
<td>(6,000)</td>
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<tr>
<td>2016-17 GSI 2% Compensation Increase/Cost</td>
<td>2,195,000</td>
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<tr>
<td>Enrollment Growth net of Financial Aid</td>
<td>FTES 180, 1,046,000</td>
</tr>
<tr>
<td>Total 2016-17 Funding</td>
<td>$6,951,000</td>
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</tbody>
</table>

### 2016-17 General Fund Base Allocation

<table>
<thead>
<tr>
<th>FTES</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>24,016</td>
<td>$149,660,859</td>
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</tbody>
</table>
Enrollment Growth Funding for 2016-17
180 FTE’s – $1,046,000
Marginal Cost Funding Formula of $5,809/FTE
Projected CSU General Fund Budget with Governor’s Assumptions

- 2011/12: $2.0
- 2012/13: $2.1
- 2013/14: $2.3
- 2014/15: $2.7
- 2015/16: $3.0
- 2016/17: $3.1

*In 2014-2016 bond debt service included in General Fund appropriation
San Francisco State University
Fiscal Year 2015/16 Budget Update

April, 2016
San Francisco State University

General Fund Budget FY 2015/16

Adopted Budget
$337,990,815

- Academic Affairs
  $131,154,599
- Administration & Finance
  $31,542,918
- Office of the President
  $2,875,096
- Student Affairs
  $16,000,198
- University Advancement
  $5,702,724
- University Wide
  $150,715,280

3/31/2016
San Francisco State University
Sources of Revenue

State Support $142.7M
State University Tuition Fee $157.9M
Other Receipts $32.5M
Trust Fund Allocation $3.6M
Retirement Adjustment $1.3M

Sources of Revenue Total: $337.9M
San Francisco State University

Uses

University Wide: $150.7M
Academic Affairs: $131.1M
Administration & Finance: $31.5M
Office of the President: $2.9M
Student Affairs & Enrollment Management: $16.0M
University Advancement: $5.7M

Uses Total: $337.9M
San Francisco State University

University Wide Expenditures

Compensation Operating Expenses $5.5M

Benefits $85.1M

Financial Aid (SUG) $47.8M

Risk Pool $5.0M

Utilities $5.2M

University Wide Expenditures Total: $150.7M
## San Francisco State University

### State Appropriation Funding FY 2015/16

<table>
<thead>
<tr>
<th></th>
<th>CSU</th>
<th>SFSU</th>
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<tbody>
<tr>
<td>Enrollment FTES</td>
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<td>485</td>
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<tr>
<td>Enrollment Funding</td>
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<tr>
<td>Student Success Initiatives</td>
<td>38,000,000</td>
<td>1,002,000</td>
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<tr>
<td>Health</td>
<td>11,040,000</td>
<td>732,000</td>
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<tr>
<td>2015-16 Retirement Adj Supplement</td>
<td>7,000,000</td>
<td>4,555,000</td>
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<tr>
<td>New Space</td>
<td>5,037,000</td>
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<tr>
<td>IT Upgrade &amp; Renewal</td>
<td>14,000,000</td>
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<tr>
<td>Compensation Pool</td>
<td>65,528,000</td>
<td>2,166,000</td>
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<tr>
<td>Deferred Maintenance &amp; Infrastructure Needs</td>
<td>25,000,000</td>
<td>1,367,000</td>
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<tr>
<td>Center of California</td>
<td>200,000</td>
<td>-</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$216,505,000</strong></td>
<td><strong>$12,544,000</strong></td>
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</table>
San Francisco State University

Expenditure Requirement Changes (Pass Through) : $7.4 Million

- FY 2014/15 PERS Retirement Rate Increases $4.6M
- 2015/16 Compensation $2.1M
- Health Benefits Rate Increase $700K

Expenditure Requirement Changes Total: $7.4M
San Francisco State University
Changes to 2014/15 Sources: Additional Funding: $5.8 Million

- CSU Allocation for Enrollment Growth: $2.7M
- Tuition Fee Rev. Est.: $2.1M
- Student Success & Completion: $1.0M

Changes to 2014/15 Internal Budget: $5.8M
San Francisco State University

Changes to 2014/15: Uses Additional Funding $5.8 Million

- Increases in Benefits $300K
- Student Success and Completion $1.0M
- Matching Funds - Student Success and Completion $1.0M
- Permanent Positions and Ops Expenses $1.5M
- Additional Course Sections $2.0M

Additional Funding Uses Total: $5.8M
## Student Success and Completion Initiatives Funding

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Academic Affairs</th>
<th>SAEM</th>
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<tbody>
<tr>
<td>Tenure-Track Faculty Hiring</td>
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<tr>
<td>Enhanced Advising</td>
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<td>$80,000</td>
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<td>Augment Bottleneck Solutions</td>
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<tr>
<td>Student Preparation</td>
<td>$80,000</td>
<td>$80,000</td>
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<tr>
<td>High Impact Practices</td>
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<td>$80,000</td>
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<tr>
<td>Data-Driven Decision Making</td>
<td>$80,000</td>
<td>$60,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,700,000</strong></td>
<td><strong>$300,000</strong></td>
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</table>
STRUCTURAL DEFICIT
Principles in Dealing with the Structural Deficit

1. Decisions should be guided by the San Francisco State University Strategic Plan and should focus on the core mission of the University

2. **Minimizing disruption to academic programming is a priority**

3. **Student success efforts will be ongoing**

4. **Opportunities for additional revenue will be explored**

5. The process should be guided by both formal and social commitments between the University and its employees

6. **Vacant positions should be analyzed in order to determine ongoing personnel costs**

7. All sources of revenues should be analyzed, including Trust Funds and Auxiliaries, to determine whether or not it is possible to shift General Fund expenditures
San Francisco State University

Three Pronged Approach

$2.4 Million: 3% Reduction to Non-Faculty Salaries

$3.6 Million: One-Time Trust Fund Allocations

$1.5 Million: Cost Allocation Plan Reimbursement
San Francisco State University  
Proposed Reduction Plan by Cabinet FY 2015/16

<table>
<thead>
<tr>
<th>2015/16 Structural Deficit</th>
<th>$ -7,500,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost Allocation Reimbursement</td>
<td>$1,500,000</td>
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<tr>
<td>Remaining Structural Deficit</td>
<td>$6,000,000</td>
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<tr>
<td>3% Reduction Administrative Salaries</td>
<td>Trust Fund Adjustments</td>
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<tr>
<td>Academic Affairs</td>
<td>1,075,000</td>
</tr>
<tr>
<td>Administration &amp; Finance</td>
<td>777,000</td>
</tr>
<tr>
<td>Student Affairs &amp; Enrollment Management</td>
<td>406,000</td>
</tr>
<tr>
<td>University Advancement</td>
<td>151,000</td>
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<tr>
<td>Office of the President</td>
<td>31,000</td>
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<tr>
<td>TOTAL</td>
<td>$2,440,000</td>
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### STRUCTURAL DEFICIT REDUCTION PROPOSAL
#### THREE YEAR PLAN

<table>
<thead>
<tr>
<th></th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
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</thead>
<tbody>
<tr>
<td>Structural Deficit Reduction</td>
<td>-$7,500,000</td>
<td>-$3,400,000</td>
<td>-$2,000,000</td>
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</tbody>
</table>
San Francisco State University
We Make Great Things Happen