



San Francisco State University

We Make Great Things Happen

San Francisco State University

Fiscal Year 2019-20 Budget

AGENDA

- **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

	BASE	ONE-TIME
<u>WHAT IS IT?</u>	Budget For Permanent Expenditures Which Recur Annually	Budget Provided For A Specific Length Of Time. They Are Non Recurring
<u>HOW IS FUNDED?</u>	Current Year Operating Fund Budget	Reserve ⁽²⁾ /Carryforward Balances ⁽³⁾
<u>EXAMPLES</u>	Personnel Costs, Benefits, Operating Expenditures ⁽¹⁾ , Utilities, Risk Pool	Campus/Units - Strategic Initiatives

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



CSU Budget
Planning

CSU Trustees
Adopts
Budget
Request for
Submission
to Governor

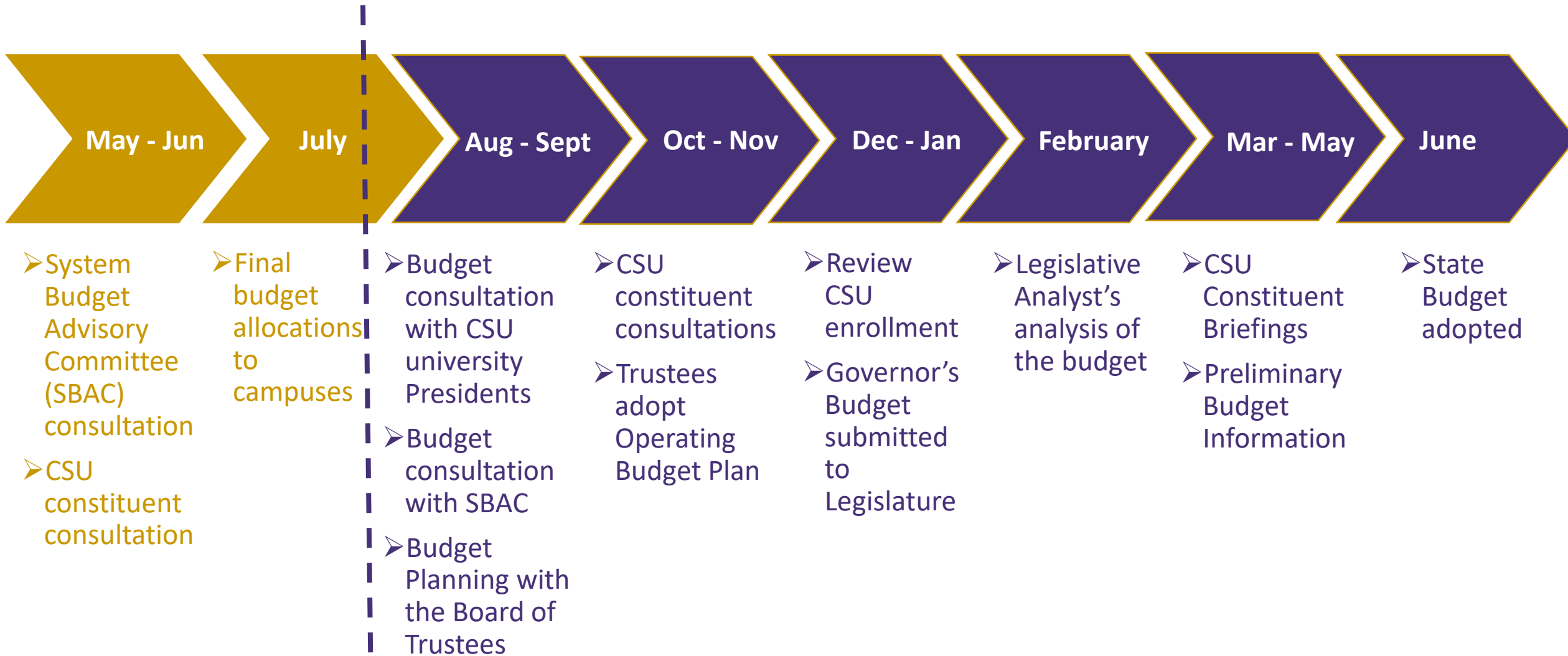
Governor's
Budget
Submitted
To
Legislature

Legislative
Analyst's
Budget
Review
Released

Governor's
Budget-May
Revise

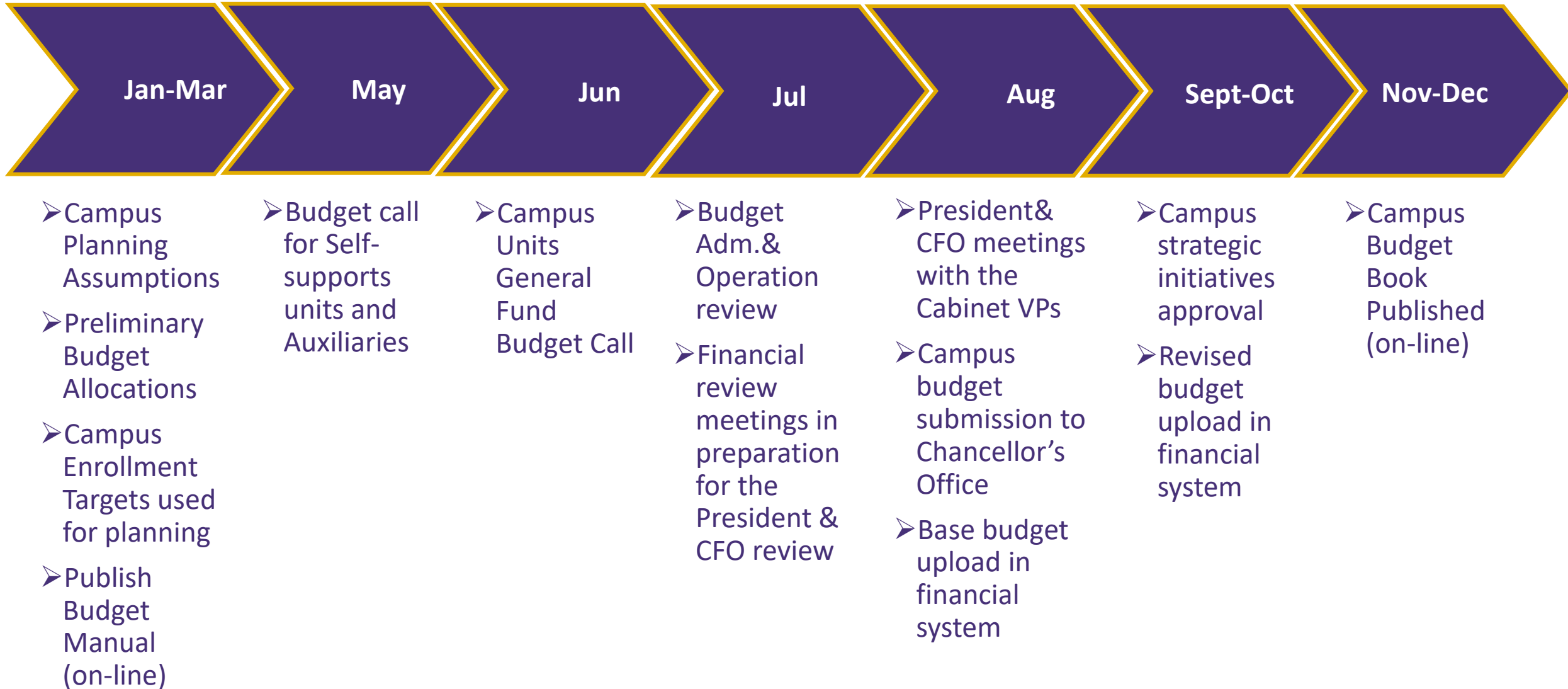
State Budget
Adopted

CSU BUDGET CYCLE



Note: Gold color for Current Fiscal Year; Purple color for Next Fiscal Year

SF STATE BUDGET CYCLE



2019-20 California State Budget

2019-20 GOVERNOR'S BUDGET-HIGHLIGHTS OF ECONOMIC OUTLOOK

UNITED STATES

- **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.**

CALIFORNIA

- **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**

2019-20 GOVERNOR'S BUDGET-HIGHLIGHTS OF ECONOMIC OUTLOOK

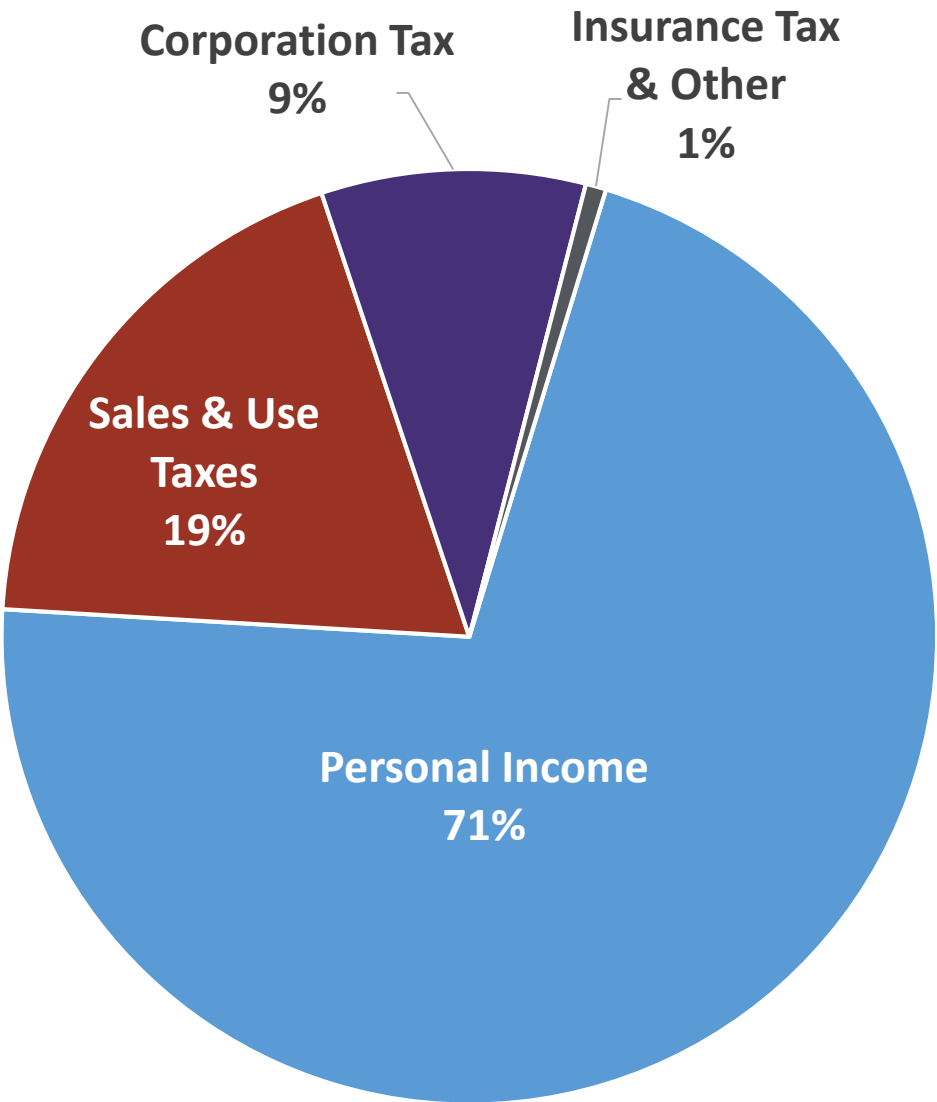
Risks and Challenges for Changing Economy

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

STATE OF CALIFORNIA FY2019-20 ENACTED BUDGET - REVENUES

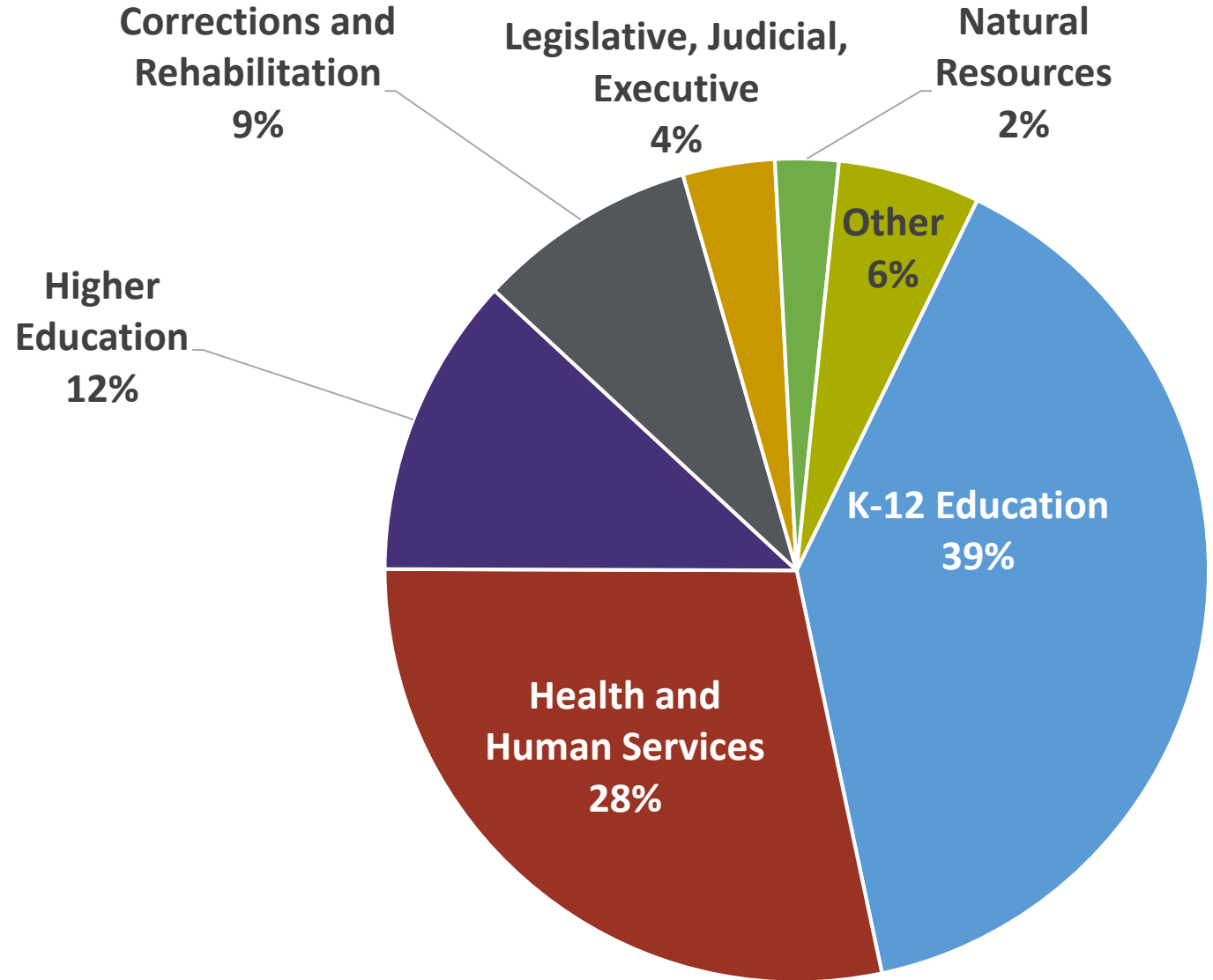
(In billions)

Personal Income	\$102
Sales & Use Taxes	27
Corporation Tax	13
Insurance Tax & Other	1
	<hr/>
	\$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
	<hr/>
	\$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

FISCAL YEAR 2019-20

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

2020-21 AND FORWARD

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

FY2019-20 SF STATE BUDGET ALLOCATION

(In millions)

	FY2019-20 CSU BUDGET PLAN		FY2019-20 GOV. BUDGET		FY2019-20 July B-MEMO
	One-Time	Base	One-Time	Base	One-Time
Graduation Initiative (GI) 2025	-	75	30	45	2.0
Compensation	-	148	-	170	-
Enrollment Growth 2% ⁽¹⁾	-	108	-	85	2.3
Infrastructure	250	80	239	-	-
Mandatory Cost Increase	-	45	-	45	-
Basic Needs Initiatives ⁽²⁾	15	-	46	16	0.1
Legal Services- Health and Human Serv. Chapter	-	-	7	-	-
Total	\$265	\$456	\$322	\$361	\$4.4

⁽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

Coded Memo B 2019-02

FY2018-19 Base Allocation		\$182,087
FY2019-20 Compensation	9,215	
Health Benefits	430	
Retirement Rate Adjusted Increase	769	
Min Wage Increase	139	
Graduation Initiative 2025	2,121	
Enrollment Growth (at 1.96%)	5,469	
General Fund Adjustment ⁽¹⁾	-2,294	
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Total Additional Allocation		\$15,933
TOTAL		\$198,020

⁽¹⁾ Expense adjustment State Univ. Grant as part of tuition revenue

FY2019-20 BUDGET PLANNING ASSUMPTIONS WITH 2% FTE GROWTH

TUITION REVENUE & FEES

	Enrollment		Tuition and Fees		(In thousands)
	(1)	(2)	(3)	(4)	(5)
	Resident FTES Target	Non- resident FTES	Gross Tuition Revenue	Other Fees	Gross Tuition and Fee Revenue
					(Col. 3 + Col. 4)
FY2018-19 ACTUALS	24,173	1,534	\$167,494	\$34,884	\$202,378
FY2019-20 BUDGET (2% Growth)	24,582	1,501	169,688	31,019	200,707
VARIANCE			\$2,194	-\$3,865	-\$1,671

Assumptions:

Headcount Flat

Increased Average Unit Load

FY2019-20 SF STATE PLANNING ASSUMPTIONS – CAMPUS FEE CATEGORIES

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.

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.

CATEGORY III:

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

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

- 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

- 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.

- Late submission
- Orientation
- Off-Campus Study Abroad
- Programs
- Testing

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.

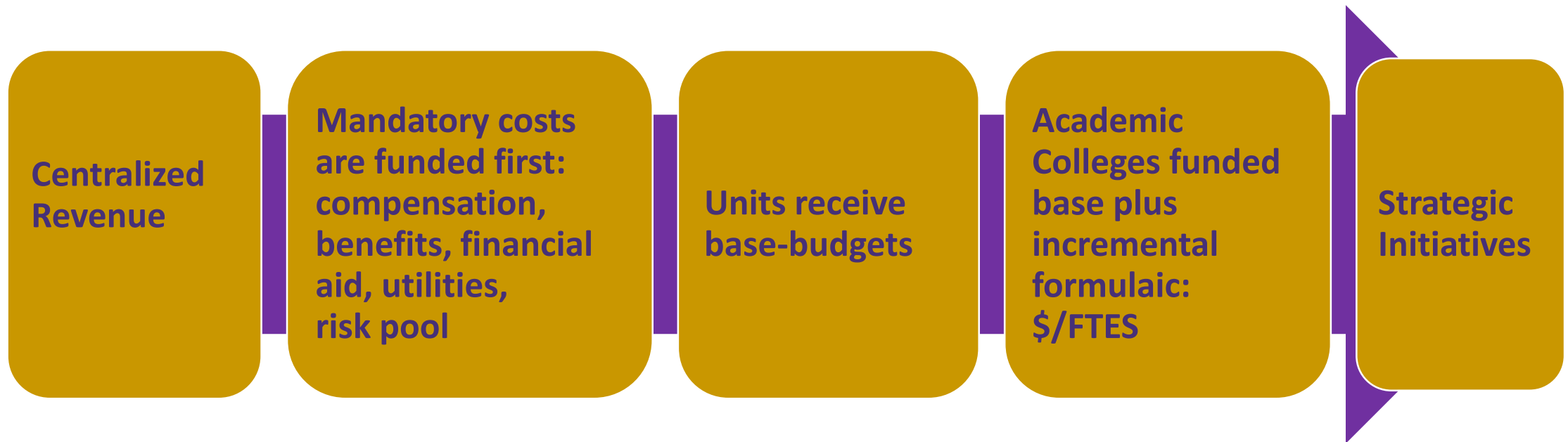
- Housing Licenses
- Parking Permits
- Continuing Ed courses

CATEGORY VI: System wide voluntary fees.

- Student Involvement and Representation (SIRF)

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

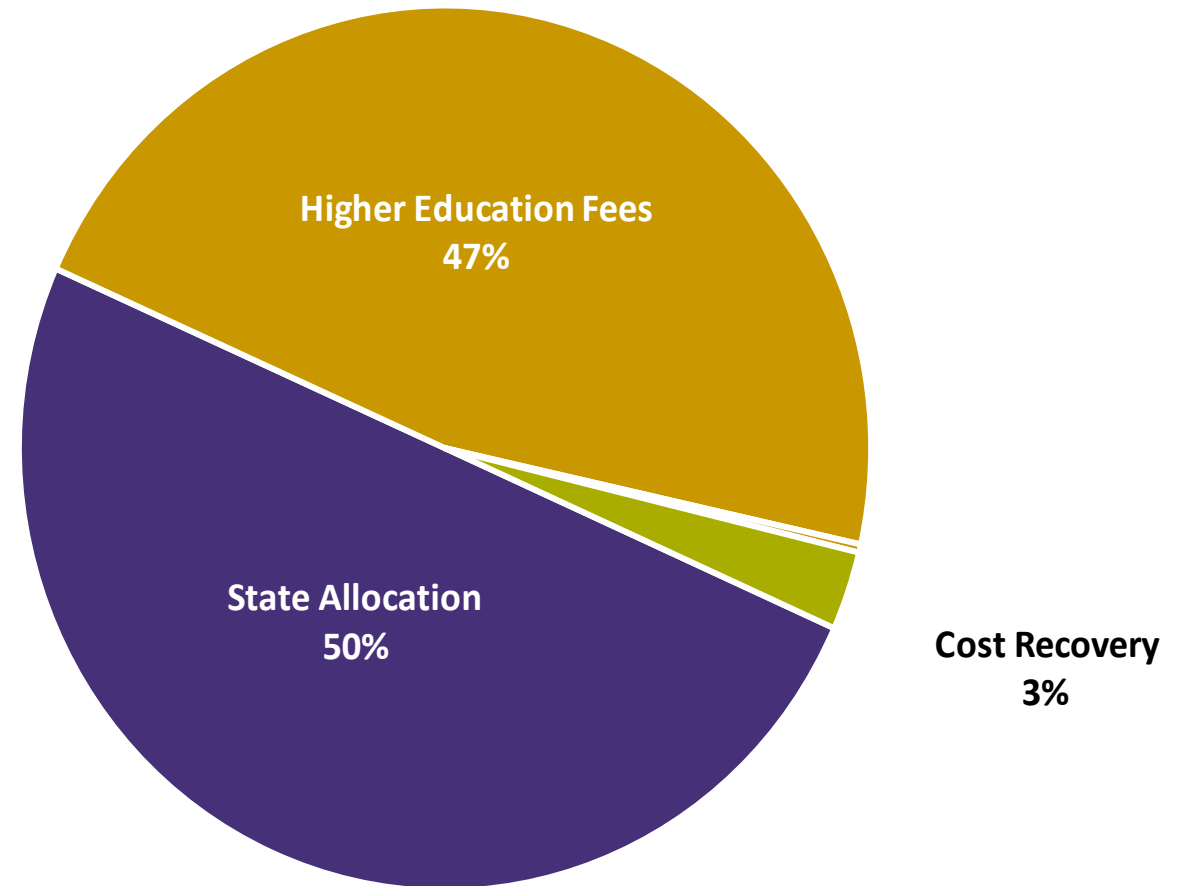
AA, SAEM, OP, UA, UE and A&F (*)

(*) 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 Sources ¹	1
Cost Recovery ²	11
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\$	396



¹ Interest revenue

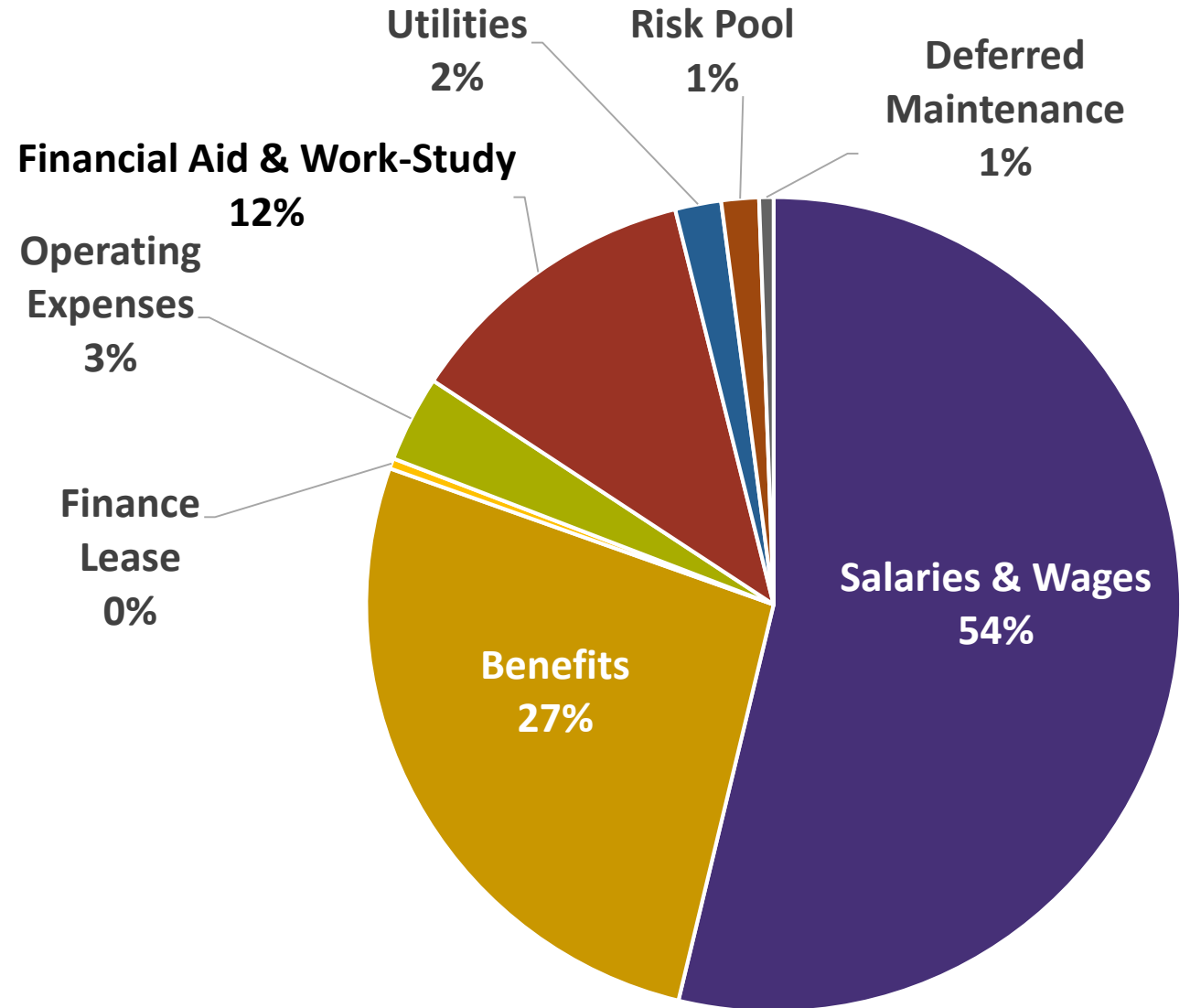
² Cost recovery, Cost Allocation, Reimbursement release time, Est. retirement adjustment.

TOTAL REVENUES: \$396 M

FY2019-20 SF STATE GENERAL FUND BUDGET-EXPENDITURES

(In millions)

Salaries & Wages	216
Benefits	107
Operating Expenses	14
Financial Aid & Work Study	48
Utilities	7
Risk Pool ⁽²⁾	6
Deferred Maintenance	2
Finance Lease ⁽¹⁾	2
Total	\$ 402



TOTAL EXPENDITURES: \$402 M

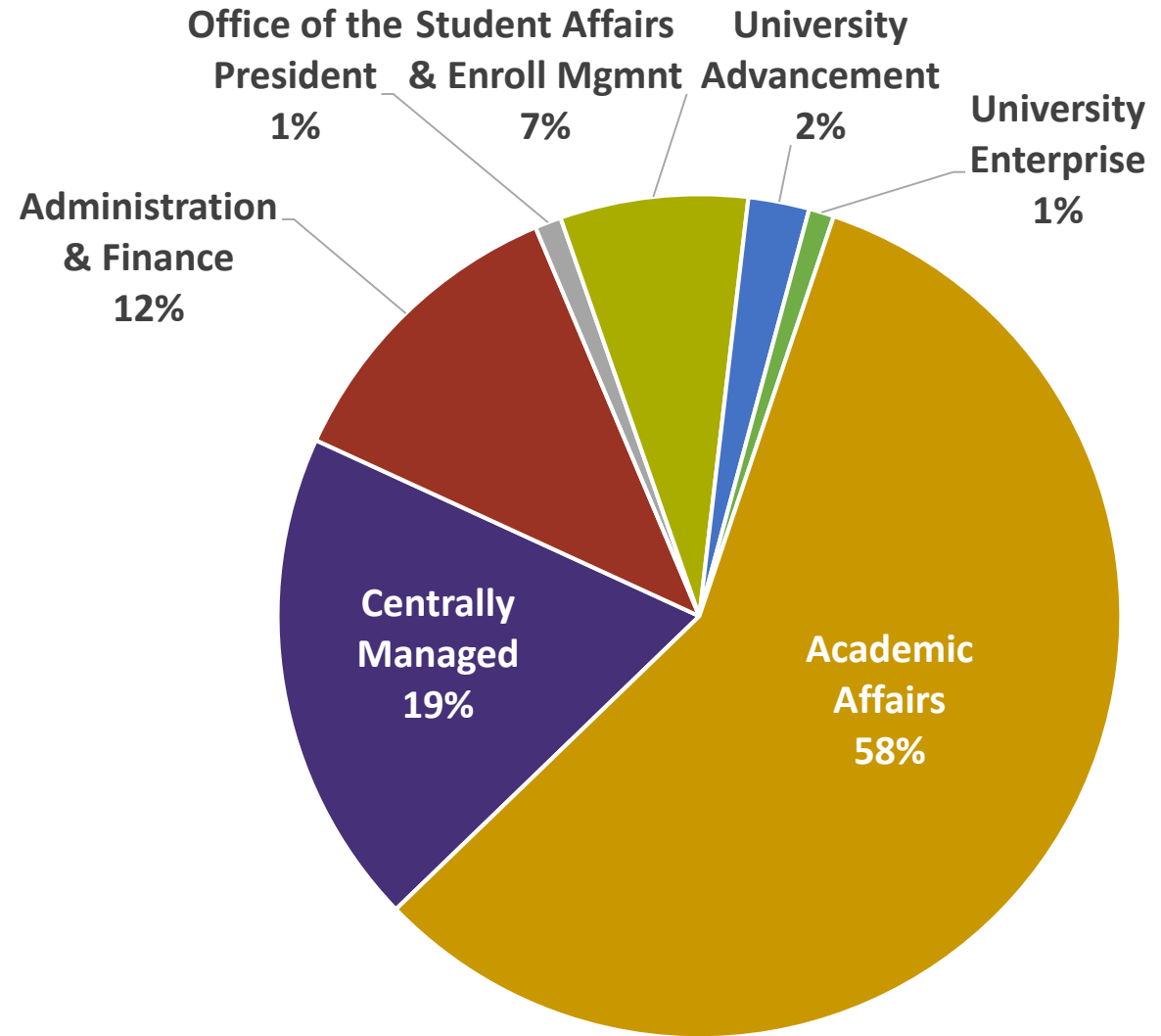
⁽¹⁾ Creative Arts replacement Building Loan

⁽²⁾ Risk Pool - insurance

FY2019-20 SF STATE GENERAL FUND BUDGET BY CABINET

(In millions)

GSI ⁽¹⁾	10
Financial Aid	48
Deferred Maintenance	2
Other ⁽²⁾	17
Centrally Managed ⁽³⁾	\$ 77



TOTAL ALLOCATIONS BY CABINET: \$402 M

⁽¹⁾ GSI - general salary increases included benefits.

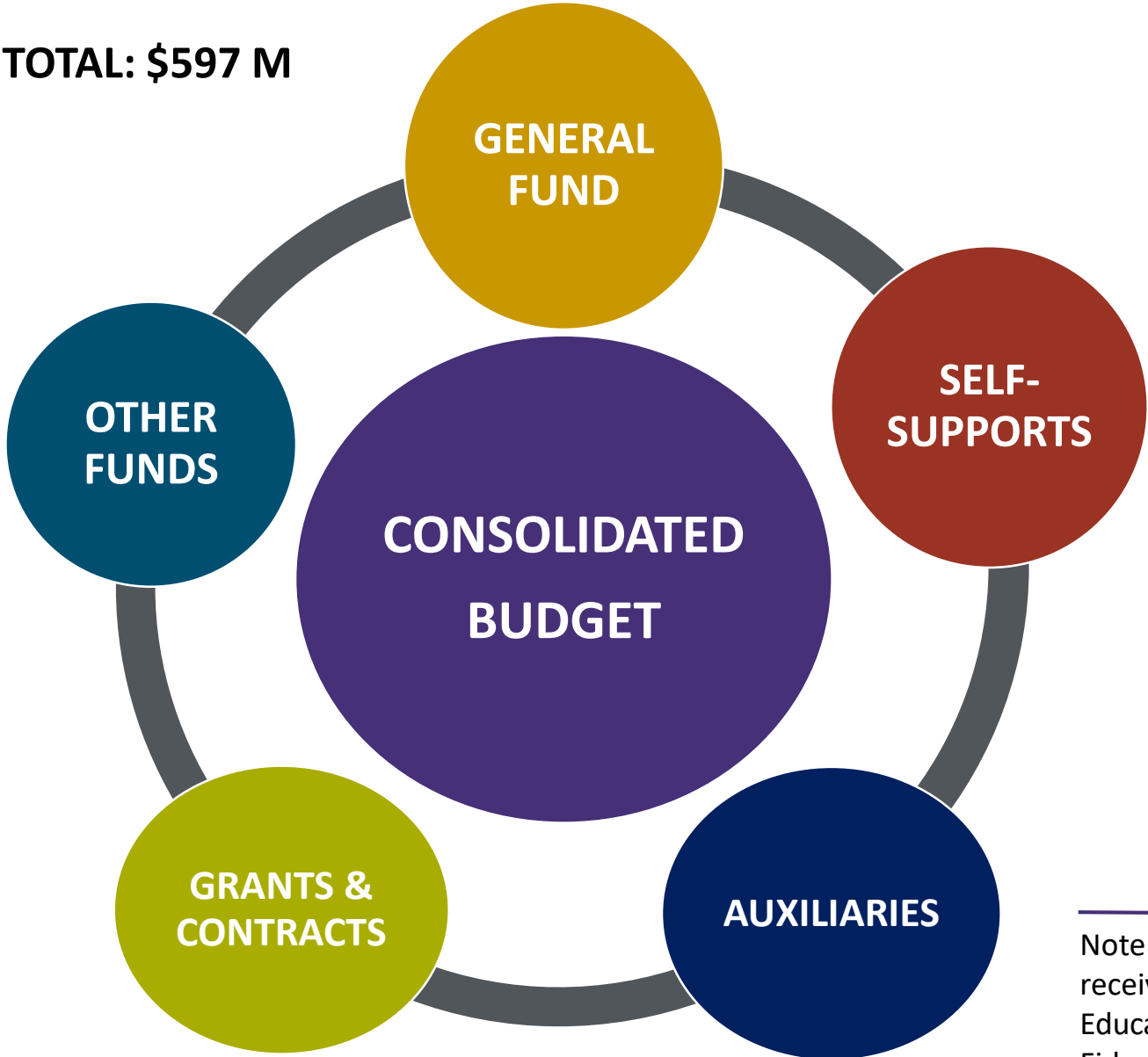
⁽²⁾ Utilities, insurance, loan payment, etc.

⁽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



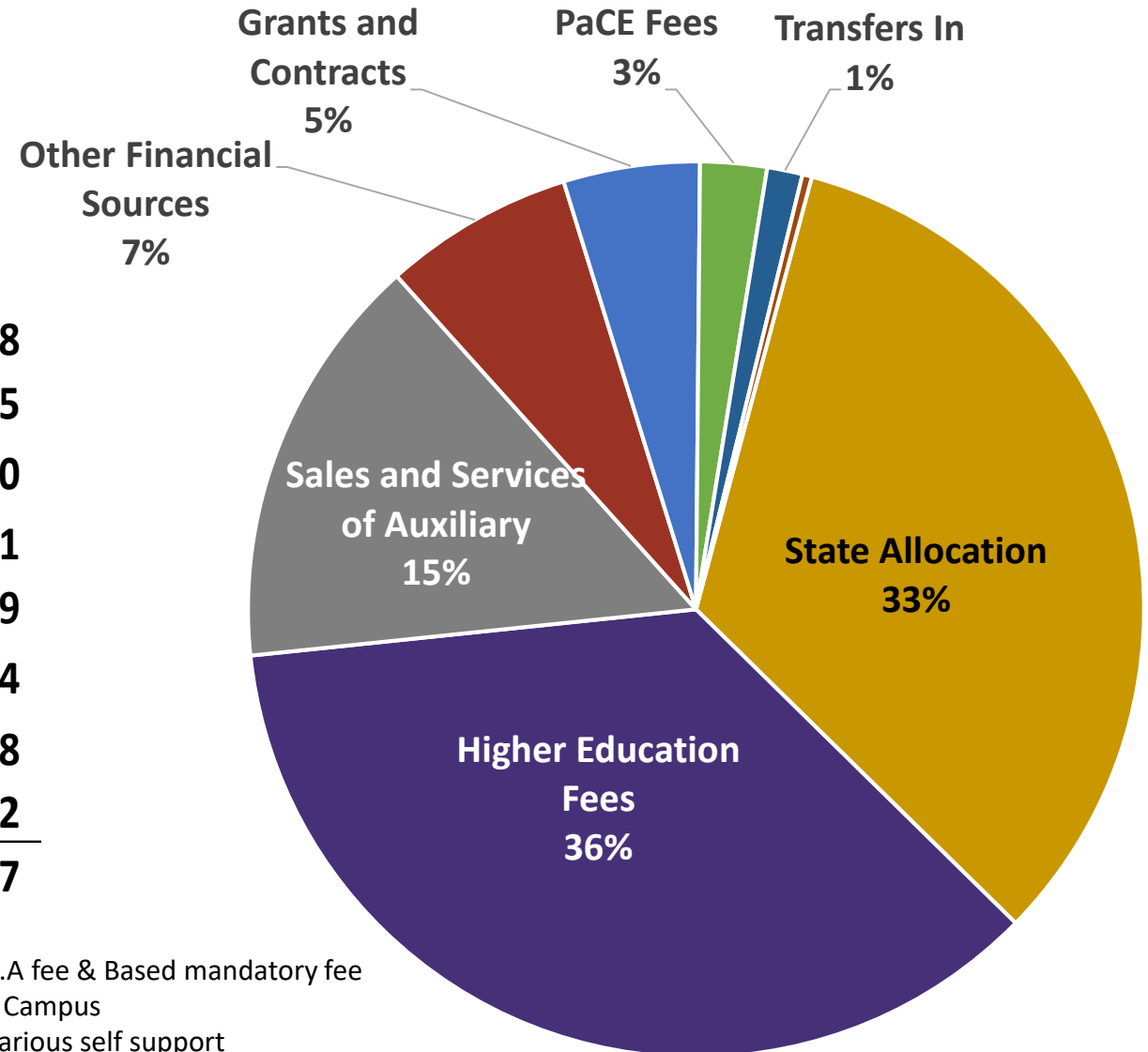
<u>FY2019-20</u>	<u>%</u>
GENERAL FUND	66%
SELF-SUPPORTS ⁽¹⁾	19%
OTHER FUNDS	7%
GRANTS & CONTRACTS	5%
AUXILIARIES ⁽²⁾	2%
	100%

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)

State Allocation	198
Higher Education Fees ⁽¹⁾	215
Sales and Services of Auxiliary ⁽²⁾	90
Other Financial Sources ⁽³⁾	41
Grants and Contracts	29
PaCE Fees ⁽⁴⁾	14
Transfers In ⁽⁵⁾	8
Revenue from Investments	2
	<hr/>
	\$ 597



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

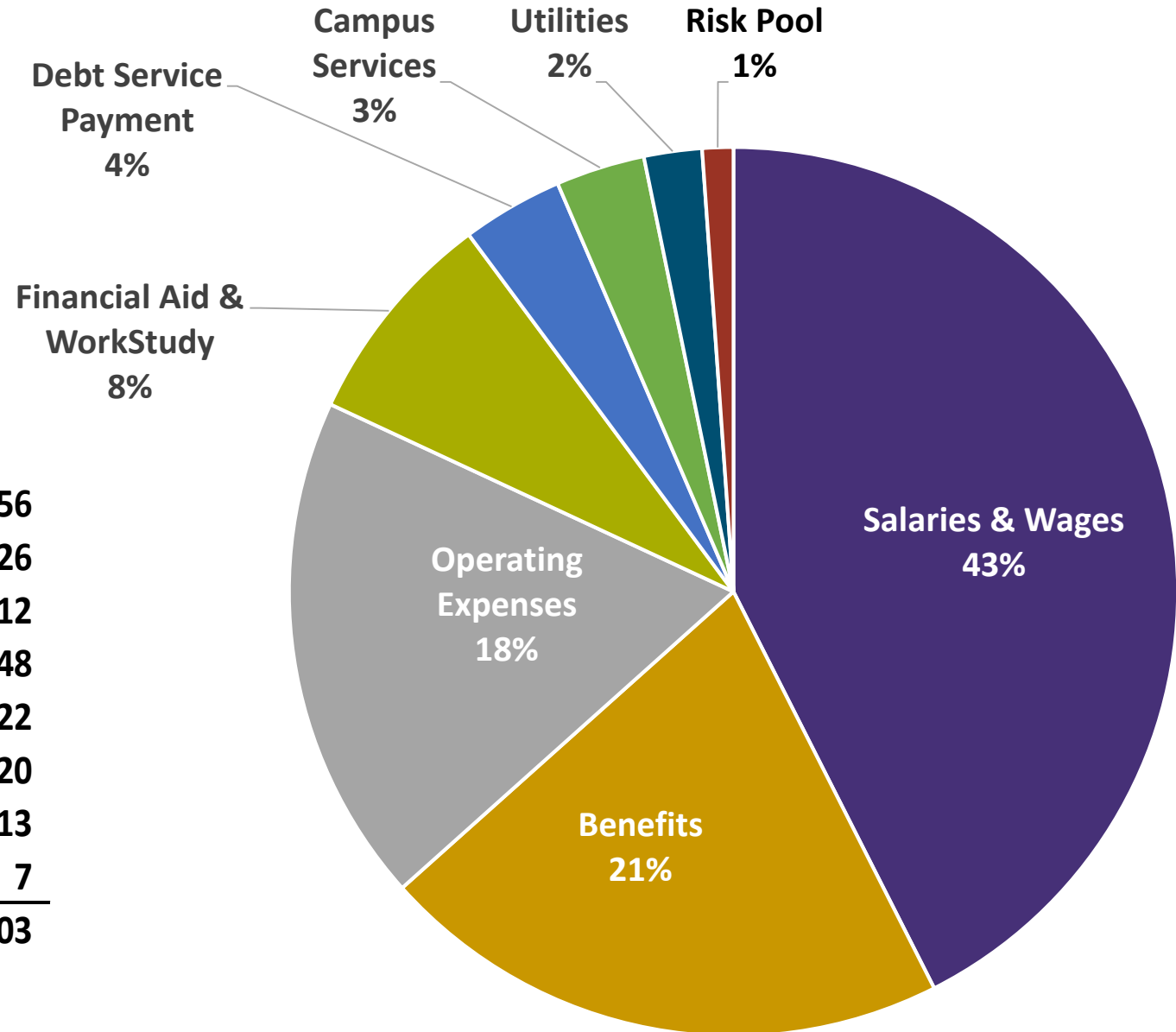
⁽⁴⁾ College of Extended Learning

⁽⁵⁾ Transfer in: NR301, Misc. Fee, Residential Life & Lottery Fund

FY2019-20 SF STATE CONSOLIDATED BUDGET-EXPENDITURES

(In millions)

Salaries & Wages	256
Benefits	126
Operating Expenses	112
Financial Aid & WorkStudy	48
Debt Service Payment	22
Campus Services	20
Utilities	13
Risk Pool	7
	<hr/>
	\$ 603



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

FY2019-2020 SF STATE SELF-SUPPORTS

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

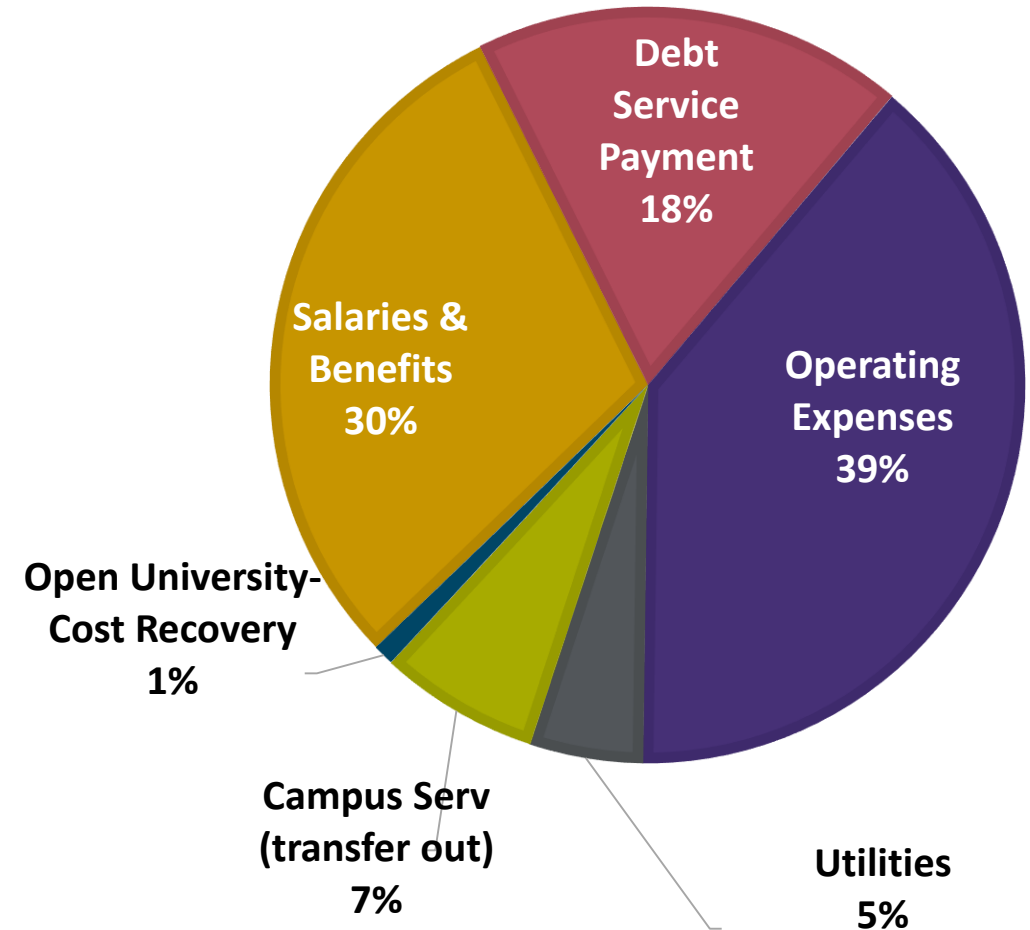
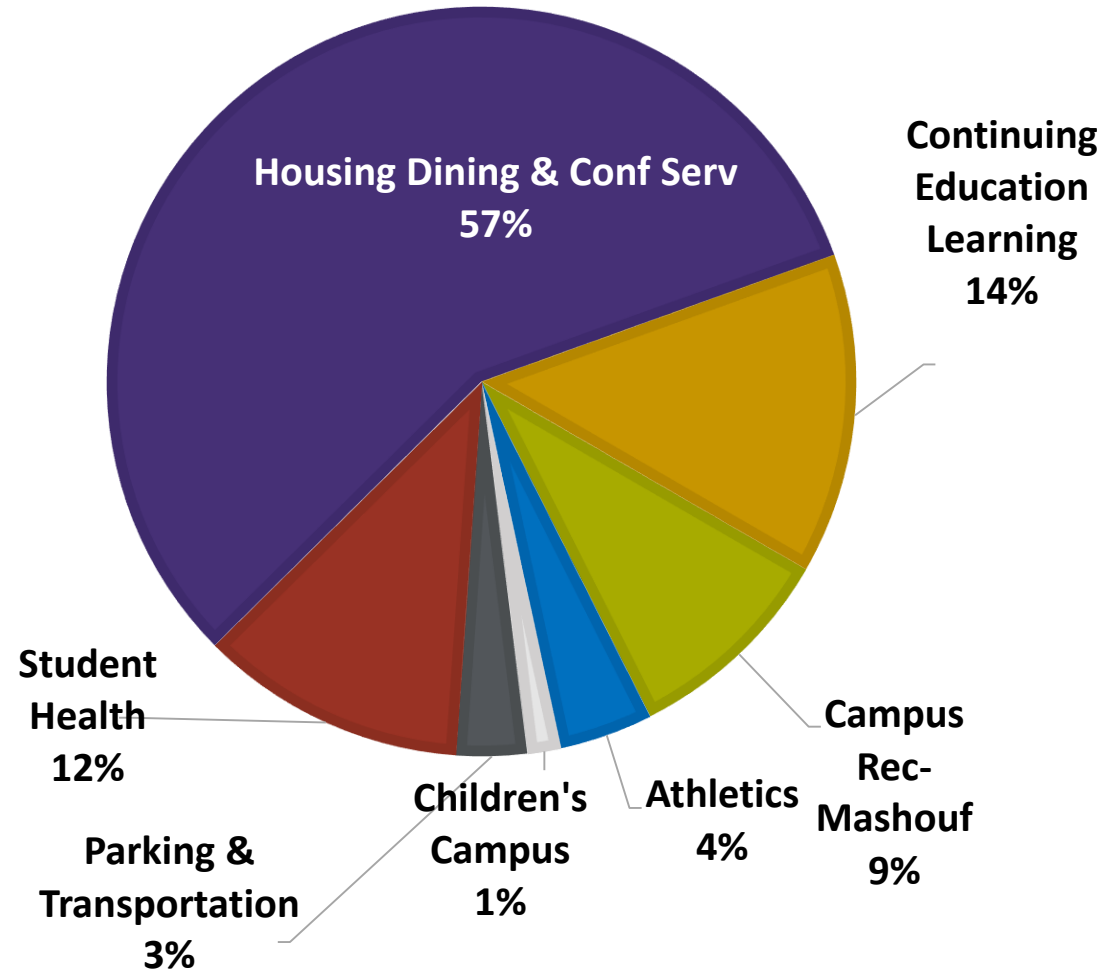
Continuing
Education
Learning

Housing,
Dining &
Conference
Services

FY2019-20 Budget Revenue =\$111 M

FY2019-20 SELF SUPPORTED OPERATIONS

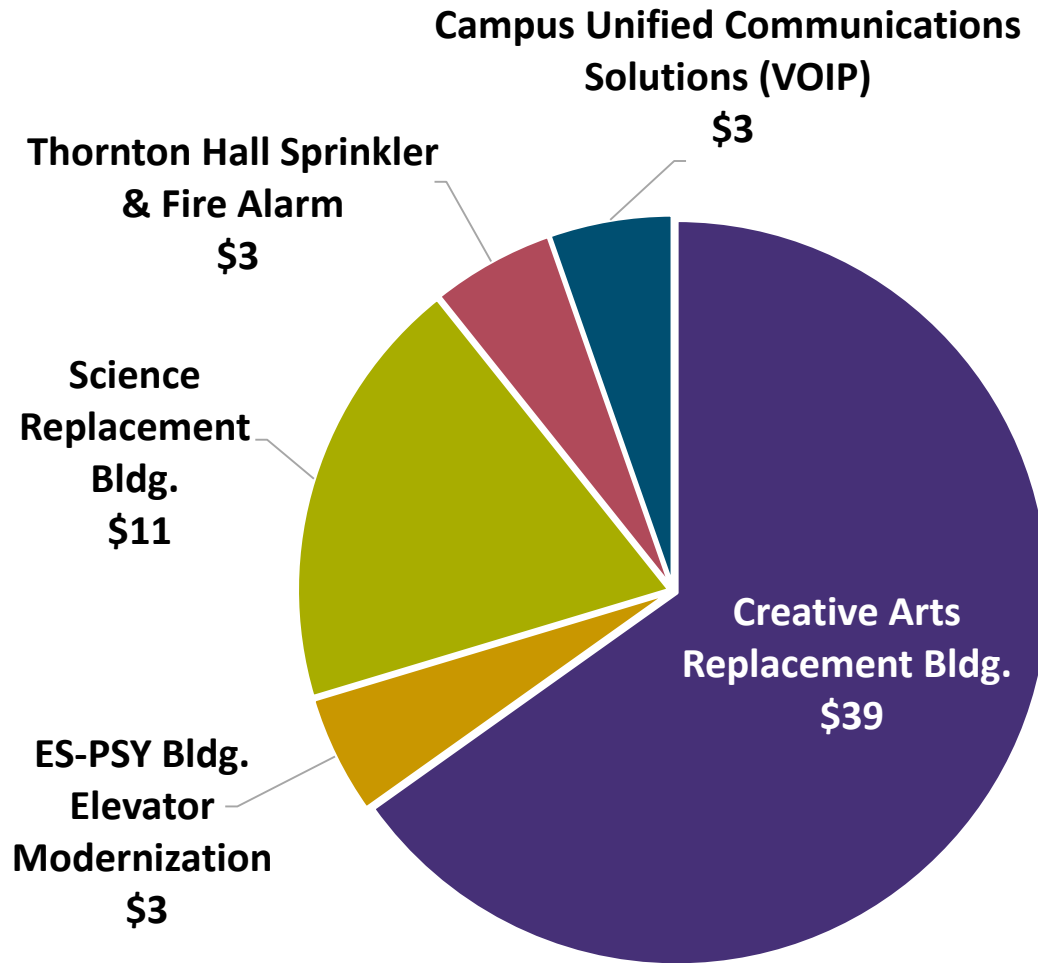
Total Budget = \$111 M



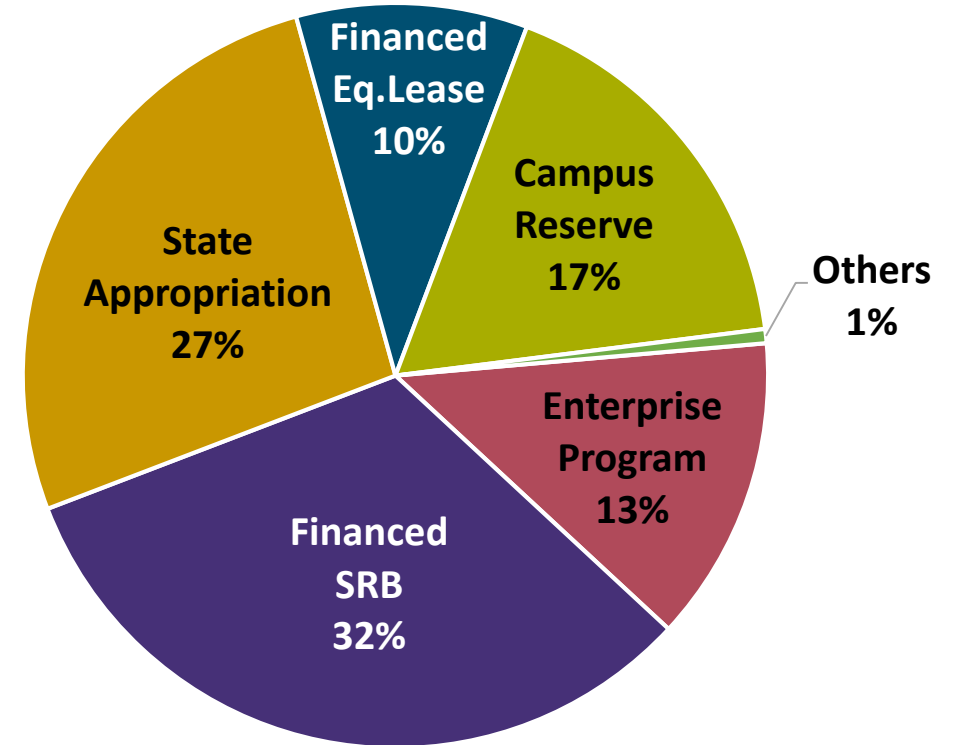
FY2019-20 SF State Capital Budget

FY2019-20 SF STATE CAPITAL BUDGET

(In millions)



2019-20 Top 5 Projects
Total Budget: \$ 59



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

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

QUESTIONS?



Thank you for attending!

Contact us at:



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