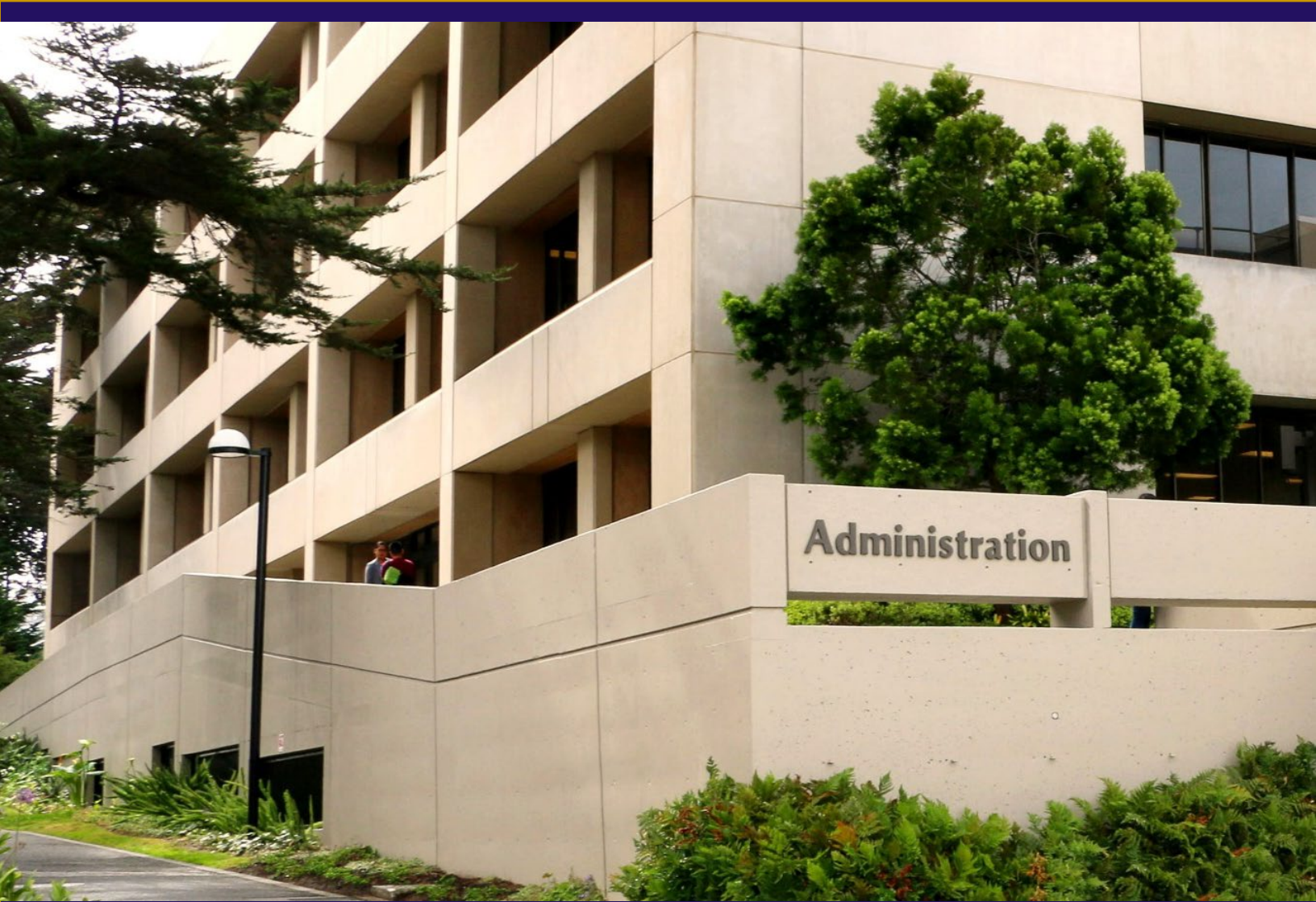


# SAN FRANCISCO STATE UNIVERSITY



## THE FISCAL YEAR 2019 – 2020 BUDGET REPORT EXECUTIVE SUMMARY



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## EXECUTIVE SUMMARY

Members of the San Francisco State Community:

I am pleased to share with you the San Francisco State University Fiscal Year 2019-20 Budget Plan. The Budget Plan is made up of two parts: the first part is the **Consolidated Budget for Operations** which includes anticipated state allocations, operating revenues, and expenses for fiscal year 2019-2020 (FY 19-20); the second part is the **Capital Plan and Budget** within the framework of a multi-year capital plan.

### **Consolidated Budget for Operations**

The Consolidated Budget for Operations includes \$597 million in revenues and \$603 million in expenses. FY 19-20 is the third year where the university has taken on an all-funds budgeting approach. The general fund operating budget includes \$402 million in general funds, of which \$156.4 million flows to the academic colleges. After other transfers and adjustments, \$65.5 million remains in general funds which is allocated to other the cabinet divisions. The remainder is held centrally for other campus mandatory costs in the amount of \$180.6 million. The general fund operating budget revenues are expected to grow by 4 percent over FY 18-19 actual results and 5 percent over the FY 18-19 budget driven primarily by an increase in the state allocation. The remaining \$202 million in revenues is derived from self-support units, grants and contracts, other funds, and auxiliary enterprises.

### **Capital Plan and Budget**

The Capital Plan and Budget calls for \$107 million in expenditures in FY 19-20<sup>1</sup>. These expenditures are in support of a five-year capital plan that, if fully completed, will require \$1.5 billion in total funding. Principal expenditures will be directed to the new Liberal and Creative Arts building (\$81 million), the Romberg Tiburon Campus seismic reinforcement (\$2.6 million), and the College of Ethnic Studies building elevator renewal (\$3 million).

### **Fiscal Year 2020-2021 Planning**

In planning for Fiscal Year 2020-2021 we will continue with the last two years' efforts to improve the current budget model to recognize several critical and complex issues impacting the campus' financial health in future years. These issues include expense management over multi-

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<sup>1</sup> Excluding \$129 million of the Holloway Housing Mixed Use Project where funds are via a Public-Private Partnership.

ple years, workforce planning, and program level cost analysis of the university's reserves, carryforwards, cost allocations, and chargebacks. The critical role enrollment management plays in the budget planning process will also be a primary consideration. The development of the Academic Master Plan will provide an impetus to refine the budget model to include all previously mentioned elements. This is a major planning effort where we will request your support and engagement in the upcoming fiscal year.

### **Acknowledgement**

Great care has been taken in preparing this report for your consideration. Special thanks to the Office of Budget Administration and Operations who worked diligently to prepare the budget plan I am sharing with you.

I appreciate the opportunity to submit the FY 19-20 Budget Plan. I trust you will not hesitate to contact me if you have questions or need additional information.

Sincerely,



Jeff Wilson

Interim Vice President Administration and Finance and CFO

## US HIGHER EDUCATION ENVIRONMENT

To provide context on establishing a university budget it is also essential to look at the US higher education environment.

The California State University is comprised of 23 campuses. All campuses offer undergraduate and graduate instruction for professional and occupational goals and liberal arts programs. For undergraduate programs, each campus requires basic programs of general education, regardless of the major selected by the student. In addition, the CSU offers doctoral-level programs in education, nursing practices, physical therapy, and audiology. The CSU also offers some doctoral programs degrees jointly with University of California and private institutions.

Peripheral increases in the numbers of high-school graduates, diminished state financial support, and a growing popularity for certificate/non-degree programs have contributed to rapid, structural changes in postsecondary education. Incorporating sustainable financial planning and addressing these issues is vital for a university to remain fiscally viable. The following sections highlight these trends.

State support funding for higher education for public two- and four-year colleges in the school year ending in 2018 was more than \$7 billion below since the Great Recession in 2008 and 2009, after adjusting for inflation. A decade since the Great Recession hit, state spending on public colleges and universities remains well below historical levels. Colleges responded to significant funding cuts by increasing tuition, reducing faculty, limiting course offerings, and in some cases closing campuses. Funding has rebounded slightly since then, but costs remain high and services in some places have not returned. Between FY2012 and FY2017, however, state support for higher education across the US increased by 22 percent. Of the 49 states analyzed over the full 2008-2018 period, after adjusting for inflation, 45 percent spent less per student in the 2018 school year than in 2008. The only states spending more than in 2008 were California, Hawaii, North Dakota, and Wyoming <sup>2</sup>

Fortunately, California increased funding to postsecondary institutions.

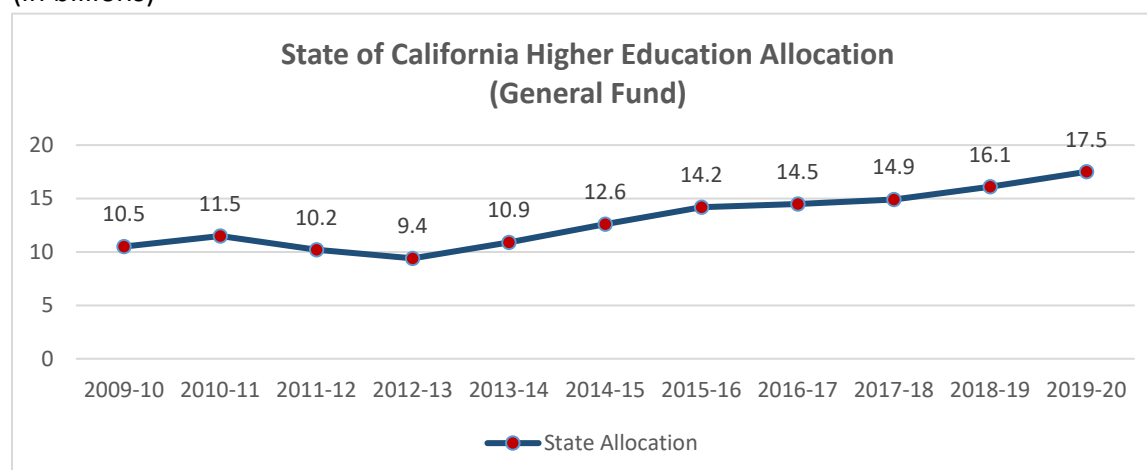
Since FY2009, the State of California has increased state appropriations to higher education by 67 percent, or \$7 billion.

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<sup>2</sup> Center on Budget and Policy Priorities. "Funding Down, Tuition Up." August 16, 2016 <https://www.cbpp.org/research/state-budget-and-tax/funding-down-tuition-up>

Center on Budget and Policy Priorities. "Unkept Promises: State Cuts to Higher Education Threaten Access and Equity" October 4<sup>th</sup> 2018 <https://www.cbpp.org/sites/default/files/atoms/files/10-4-18sfp.pdf>

(in billions)



In addition to diminished state financial support, California has implemented funding models that allocate state appropriations according to an institution's performance on graduation and retention rates. According to a 2015 report by the National Council of State Legislatures, 32 states allocated at least a portion of state funding to colleges and universities according to performance.<sup>3</sup>

The significance of a postsecondary education is well-known. Evidence consistently shows that a postsecondary education increases human capital and creates positive effects. People with a postsecondary education degree earn, on average, more than their non-degree counterparts. College graduates are also more likely to volunteer and have higher job satisfaction.<sup>4</sup> Even though the benefits of a postsecondary education degree or credential are well-known, many high school graduates do not pursue or complete a degree.

Another important factor that is changing is enrollment. Undergraduate enrollment at four-year public institutions in the US has been flat for the past three years. Fall 2017 enrollment was 8.1 million students, almost unchanged from fall 2015. Two-year public colleges continue to lose students as more people choose employment over community college; a common trend since

<sup>3</sup> National Conference of State Legislatures "Performance-Based Funding for Higher Education" November 25, 2013 <http://www.ncsl.org/research/fiscal-policy/performance-based-funding-for-higher-education.aspx>

<sup>4</sup> Association of Governing Boards of Universities and Colleges. "The Business of Higher Education." 2017. [https://agb.org/sites/default/files/report\\_2017\\_guardians\\_business\\_higher\\_ed\\_0.pdf](https://agb.org/sites/default/files/report_2017_guardians_business_higher_ed_0.pdf)

the recovery from the 2008-09 Great Recession. Enrollment at four-year private institutions declined by almost one percent over this period.<sup>5</sup>

Multiple factors influence how many people enroll at a postsecondary education institution. The most direct link is the number of high-school graduates. While more than 85 percent of high-school graduates enroll in college within eight years, projections from the National Center for Education Statistics suggest that the number of high-school students in the US will grow by less than 1.5 percent between 2015 and 2025.<sup>6</sup>

This trend will place greater pressure on colleges and universities to attract and retain students from a slowly growing pool of candidates. Some evidence suggests that public institutions with large student populations and a significant financial aid component will fare better than smaller, regional colleges and universities.<sup>7</sup>

In addition, universities have expanded their number of non-degree and certificate programs in recent years, in part, to meet employer demand for specialized training. According to the National Center for Educational Statistics (NCES), the state of California has a vast amount of school options for those interested in earning certificates. Many of the institutions are two-year schools, while four-year colleges and universities may also offer certificate programs at the undergraduate and graduate levels. A possible area of opportunity for higher education in the state of California is what has been a trend of colleges working hand-in-hand with local employers to identify workforce-training needs. Four-year public institutions in California have only recently focused on this educational space.

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<sup>5</sup> National Student Clearinghouse Research Center. "Current Term Enrollment Estimates—Fall 2017." Dec. 19, 2017 <https://nscresearchcenter.org/current-term-enrollment-estimates-fall-2017/>

<sup>6</sup> American Academy of Arts & Sciences. "A Primer on the College Student Journey." Cambridge, MA. 201 <https://www.amacad.org/sites/default/files/academy/multimedia/pdfs/publications/researchpapersmonographs/PRIMER-cfue/Primer-on-the-College-Student-Journey.pdf>

<sup>7</sup> Chronicle of Higher Education. "National College Enrollments Continue to Slide." December 16, 2016. <https://www.insidehighered.com/quicktakes/2016/12/19/national-college-enrollments-continue-slide>

Webinar: Performance Based Funding for Higher Education <https://www.youtube.com/watch?v=q1OWknfetxc&feature=youtu.be>, Sep 22, 2014

<http://www.ncsl.org/research/fiscal-policy/performance-based-funding-for-higher-education.aspx>



## STRATEGIC BUDGETING AND FINANCIAL PLANNING

### BUDGETARY PRIORITIES

Budget priorities are aligned to support the University's strategic initiatives, as well as a number of key objectives necessary to maintain the University's ongoing operations. The most notable priorities reflected in the FY19-20 budget are:

#### Graduation Initiatives 2025

Student success continues to be the top priority of SF State. In order to achieve improved graduation rates the college funding model commits both base and one-time funding to the colleges to meet enrollment demands and to provide resources to expand course sections. With the additional Graduation Initiative 2025 resources, the campus can continue to invest in student success needs, committing on-going funds in support of those efforts. GI25 at SF State means holding our students to high expectations and offering them the support they need to reach their goals. As a campus with a social justice mission at our core, we maintain excellence and equity to be fundamental and interlinking values: we want to see our students graduate with degrees that represent learning experiences of the highest possible quality, inclusive of all of our students. Toward these ends, our campus plan is structured around six strategies:

1. Improved course availability and curriculum;
2. Coordinated, intrusive and strategic advising;
3. Broad accessibility and visibility of student success data;
4. High-quality student experience in the first year of college for incoming freshmen;
5. Effective, targeted support services to achieve educational equity (directed specifically at our first-generation, low-income and underrepresented students, with special attention to men of color); and
6. Faculty hiring and development

The following five charts display several important student metrics. Chart 1 shows SF State's 6-year graduation rate increased from 46.7 percent in fall 2004 to 54.3 percent in fall 2017. Chart 2 shows that the 4-year graduation rate increased from 13.6 percent in fall 2004 to 24.2 percent in fall 2012. Chart 3 shows that most freshmen students continue at SF State into their second year. Enrollment by residency status follows in Chart 4. Chart 5 shows the number of degrees conferred at SF State.<sup>8</sup>

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<sup>8</sup> SF State University Institutional Analytics [Graduation-Initiative-2025-Goals](#) and [Institutional Analytics\( Are-we-track-meet-our-goal\)](#)



Chart 1

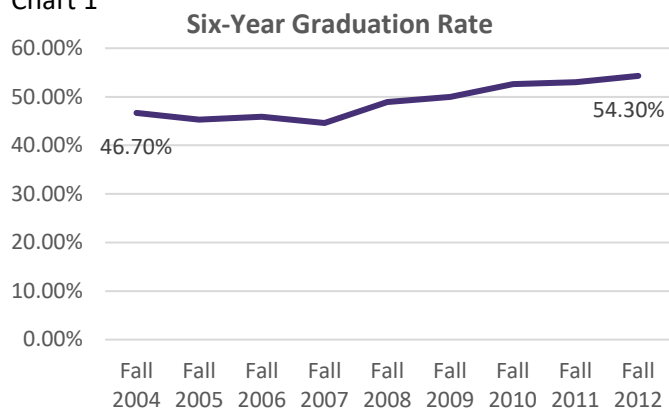


Chart 2

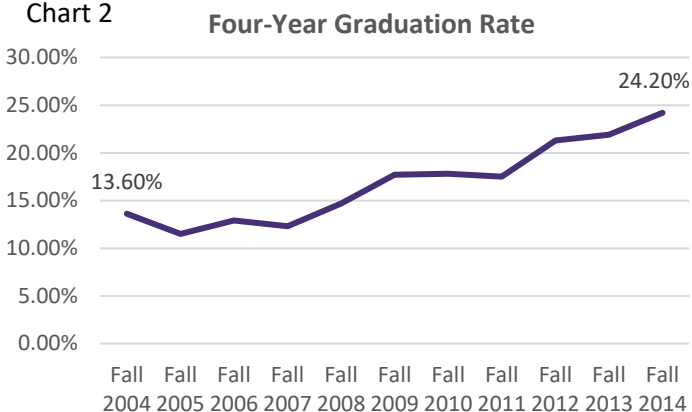


Chart 3

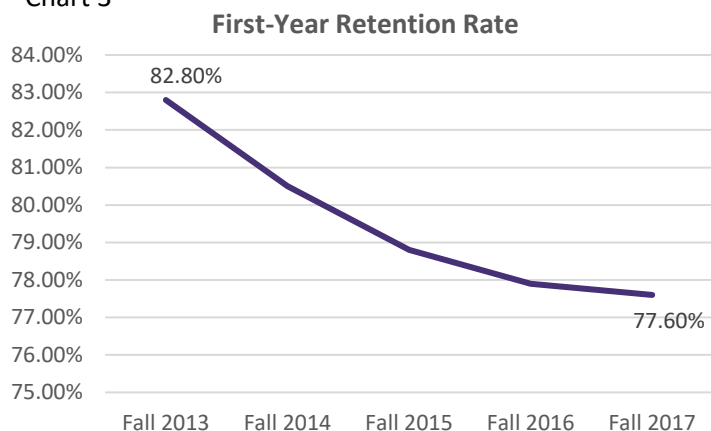


Chart 4

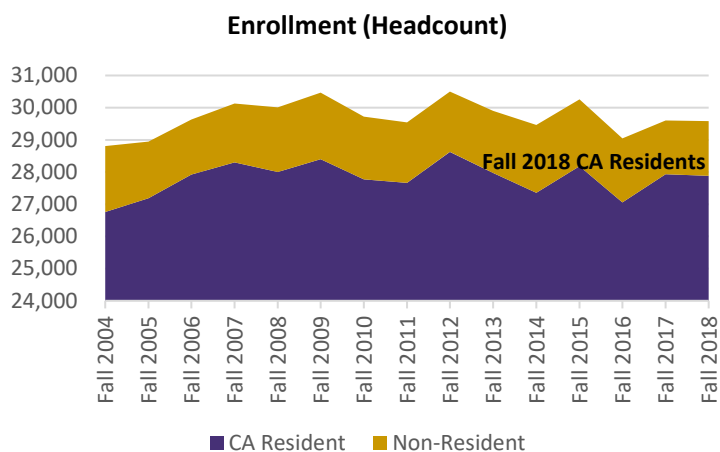


Chart 5

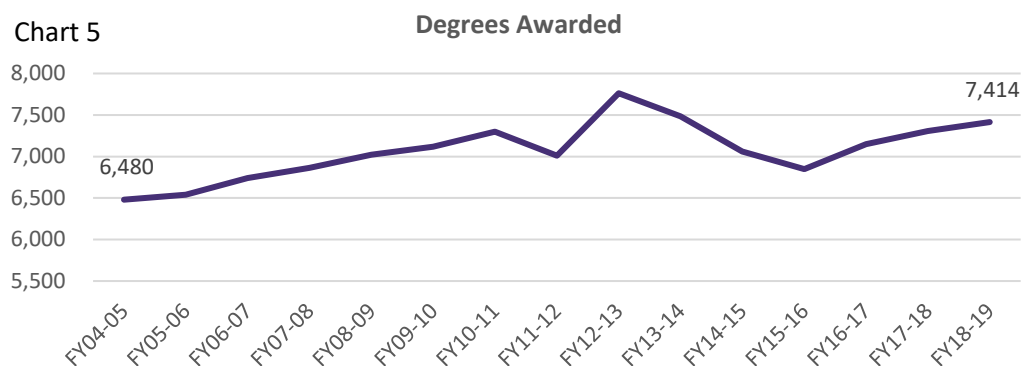


Chart assumptions<sup>9</sup>

<sup>9</sup> First year retention rate; only Fall data is presented; the data was based on Primary Major Degrees Awarded

## Equitable Compensation

Providing a strong and highly competitive compensation program for faculty and staff is a major priority in the FY19-20 budget. We recognize the challenges many of our faculty and staff face in this high-cost area. SF State has made substantial efforts to enhance our housing programs, particularly for students as well as for faculty. But the challenge of high-cost housing remains. In partial response, we made supplemental salary allocations in this budget to address issues of market competitiveness, internal salary equity, and retention. In this highly competitive market place we allocated almost \$6 million in incremental funds for a newly negotiated general fund salary increase. This is in addition to an equitable overall faculty promotion salary program. Supplementary funds have also been allocated to salaries in areas where we have fallen behind current campus equity averages.

## Keeping College Affordable

To help thousands of undergraduate and graduate students meet the financial costs of obtaining a college degree, the FY19-20 budget holds tuition rates constant and continue its overall financial aid by allocating \$46 million for State University Grant based on the increased financial aid needs. In addition, the campus is projected to receive an estimated \$57 million in Pell Grant, \$37 million in California Grant and \$5 million in Middle Class Scholarship federal and state aid. For the first time the state has allocated funds for the financial aid funds for summer program run on the state side. The total allocation is in amount of \$6 million and the campuses that are going to receive the allocation are San Diego State University and San Francisco State University.

## Building Financial Sustainability

The FY19-20 operating budget for SF State represents the campus' effort on developing a structurally sound budget that will allow the University to grow and succeed in future years. The platform for the budget is a reset of the FY18-19 general fund budget, which included a revised forecast of revenues and ongoing expenses based on assumptions of student success, sustainability, transparency and campus engagement. In addition, the FY19-20 budget includes expenditure controls affected by service efficiency and organizational economy. Additional constraints may be imposed midyear if actual savings or revenue performance fall short of projections.

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Enrollment chart the blue area is the CA residents and orange the non-resident students

## Infrastructure Investment

Sf State is also committing significant effort towards maintaining and repairing existing buildings to improve the safety, comfort and needs of our spaces. As shared in prior years, the planning and construction of a number of new spaces is also underway. Almost \$27 million in general funds this year are directed as follows; \$2.3 million in deferred maintenance for ongoing costs for academic buildings and \$25 million of one-time funding invested by the Governor in infrastructure and deferred maintained projects for academic buildings which has already been identified by the campus and approved by the CO (Chancellor's Office). Additional funds of \$2.2 million are ear-marked for the Campus Unified Communications Solutions IT capital project and \$6.0 million for other campus capital projects. In addition, we received state revenue bonds of \$11.3 million for Science Replacement Building Project. Below are a few highlighted campus future infrastructure investments.

## **Campus Master Plan: Future State 2035**

The new campus master plan, Future State 2035, proposes comprehensive physical improvements to the campus—its unique landscape, buildings, open spaces, infrastructure, circulation patterns, and connections to its neighbors—to enhance the mission and distinctive culture of the institution. A key driver of the plan is housing; the university will become a residential campus to enrich student experience and improve retention and graduation rates.

Future State 2035 supports enrollment growth to 30,000 full-time-equivalent (FTE) students, with housing for approximately 40 percent of students and approximately 15 percent of faculty and staff. Overall, the plan includes approximately 4.7 million gross square feet (GSF) of net new building space for academic, student life and support, student housing, apartments, shared uses,

FY17-18: Completion of campus master planning process, culminating in final report.

FY18-19: Completion of draft campus master plan Environmental Impact Report (EIR) report.

FY19-20 and Beyond: CSU Board of Trustees approval of campus master plan and certification of EIR.



## Creative Arts Replacement Building

The Liberal and Creative Arts Replacement (LCA) Building is the first new academic building to be constructed on campus from the ground up in almost 25 years. The four-story, 75,000 gross square feet (GSF) building will house the entire Broadcast and Electronic Communication Arts (BECA) program, interdisciplinary lecture and active learning classrooms, and administrative offices for the College of Liberal and Creative Arts.

The BECA portion of the building will be a flexible learning and production environment for teaching electronic media capture, editing, and broadcast. The ground floor includes the television studios and adjacent instructional control rooms. The newsroom is located at the southeast corner of the building, leveraging the high-traffic/high-visibility of Holloway Avenue and Font Boulevard. The audio recording live room and related spaces are located at the ground floor where it is most effective to achieve a high level of acoustical isolation. Video editing, audio production spaces, and interdisciplinary lecture classrooms occupy the second level, and on the third level are BECA audio demonstration and video editing classrooms and faculty offices. The fourth level will house the administrative offices for the College of Liberal and Creative Arts and interdisciplinary active learning classrooms.

Using a hybrid concrete and steel base structure, the project targets Leadership in Energy and Environmental Design (LEED) Gold certification.

FY17-18: Design development and construction documents: completion of construction documents; internal and third party reviews; approvals and permit for demolition.

FY18-19: Abatement, demolition, earthwork, and excavation; final approvals/permit for structure; begin construction of foundation and structure.

FY19-20 and Beyond: Continue with structure/concrete and steel, framing, utilities and infrastructure, elevators, equipment, drywall, roofing, finishes, and furnishings; construction completion anticipated in winter 2020, opening for start of spring 2021 semester.



## **Holloway Student Housing Mixed Use**

The Holloway Student Housing/Mixed Use project will provide much-needed student housing and neighborhood retail services in a public-private partnership.

The proposed 223,236 (GSF) building includes 169 student housing units (584 beds), study lounges, laundry, retail, offices, courtyard, parking garage, and other support spaces. The main entry at Varela Avenue on the east will connect at grade to the future transit stop planned at Holloway Avenue and 19th Avenue, with retail space easily accessed. A 33-space parking garage will serve the retail component and will include accessible parking spaces. Bicycle parking will also be provided in the parking garage and at street level.

The building skin includes a mix of stucco, concrete composite panels, metal panels, punched windows and corner windows, and storefront glazing indicating student amenity spaces and retail locations. The project targets Leadership in Energy and Environmental Design (LEED) Gold certification.

### **FY17-18**

Design development and construction documents; internal and third party reviews.

### **FY18-19**

Completion of construction documents; third party reviews; approvals and permits for demolition, shoring, excavation,

foundation, structure. Construction work as follows: abatement, demolition, earthwork, excavation, shoring, drilling, foundation, and start of structure.

### **FY19-20 and Beyond**

Continue with structure/steel; framing, utilities and infrastructure, elevators, equipment, drywall, roofing, finishes, furnishings. Construction completion anticipated in summer for fall 2020 student move-in.





## Science Replacement Building

This project will construct a 62,500 ASF/103,828 (GSF) Science Replacement Building (#53) for programs within the College of Science and Engineering (CoSE) that are currently housed in the existing Science Building (#4), Thornton Hall (#51), and Hensill Hall (#50).

The proposed new building will replace functions displaced by the demolition of the existing Science Building. The new Science Replacement Building is envisioned as a modern collaborative facility to support the instructional and teaching-related research needs of the science and engineering disciplines.

To pursue CoSE's mission to advance the intellectual capacity, critical thinking, creativity, and problem solving ability of its students and to prepare them to enter professions in the sciences, it is of key importance to integrate hands-on, real-world experiences into student learning. To this end, the project includes undergraduate and graduate research laboratories, student maker space, tutoring and student advising space, and social space that allows for informal collaboration and learning.

Together with the existing buildings (once renovated), the new building will create an efficient and cohesive science complex that is integrated into the fabric of the larger campus. The proposed location of the new building offers an opportunity to enhance the university's presence along 19th Avenue.

FY17-18

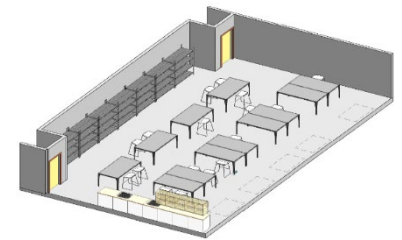
Initial concept and feasibility study completed.

FY18-19

Concept revised and cost estimate reduced.

FY19-20 and Beyond

Scope and budget were approved in the 2019-20 capital outlay. As of fall 2019, CPDC is in the Design-Builder selection phase. The new buildings projected occupancy is summer 2023.





## 2019-20 BUDGET PLANNING PROCESS

For FY 2019-20, the campus budget planning process focused on building the base budget which included a ground-up approach for budgeting resources at the cabinet level.

The increase in both base and one-time funds enables SF State to expand its Student Success and Graduation Initiative while maintaining the support available to students and its operating units. The increase in appropriated base funds from the state largely covers mandatory costs, employee compensation, and benefits. In 2018, the University began work on various strategic initiatives such as Academic Master Plan, campus capital master plan aimed at re-shaping and re-engineering the University. These university initiatives aim to help the University meet its goals and better serve students and the community.

The core component of the strategic initiatives is the Academic Master Plan. Academic units are the engines for its accomplishment. Critical to their success is the financial strength of the University and a culture of merit across the campus. Through coordinated partnerships, thoughtful enrollment planning growth, strategic investments, and reallocations of resources, the University can successfully make the necessary changes in university culture, and its accomplishments.

## BUDGET ASSUMPTIONS

The California State University (CSU) system is the nation's largest public university system. Goals include offering degree programs in academic and applied areas that are responsive to the needs of the citizens of the State of California; providing public services to the people of California; providing services to students enrolled in university; offering instruction at the doctoral level jointly with the UC's and other private universities.<sup>10</sup>

The Budget Act of 2019 includes a \$361.4 million increase in recurring General Fund appropriation for the CSU operating fund. This General Fund increase, along with new tuition revenue of \$85 million from enrollment growth, equals \$276.4 million in new, recurring funding for the CSU compared to 2018-19. The governor signed two pieces of legislation specific to the Budget Act of 2019 that affect the CSU. The first is the original Budget Act of 2019 signed on June 27, 2019 (Assembly Bill 74, Chapter 23). The second, signed on July 1, 2019 (Senate Bill 106, Chapter 55), which amended the Budget Act of 2019 to correct drafting errors made in AB 74 that affected the CSU's general fund appropriation. As you reference these statutes today and, in the future, it is important to only use Senate Bill 106 as it details the correct appropriation for

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<sup>10</sup> <http://www.ebudget.ca.gov/2019-20/pdf/Enacted/GovernorsBudget/6000/6610RWA.pdf>

the CSU's main General Fund adjustments and was the latter of the two, making it the final authority. You may disregard the main CSU General Fund detail in the original Budget Act (i.e. Item 6610-001-0001).

For all other CSU-related appropriations and provisions found throughout the original Budget Act of 2019, please reference Assembly Bill 74.<sup>11</sup>

A third piece of legislation signed by the Governor on July 1, 2019 (Senate Bill 77, Chapter 53) is the 2019-20 Higher Education Trailer Bill. The Trailer Bill codified many programmatic changes that were necessary to implement the policy decisions contained in the Budget Act of 2019.<sup>12</sup>

	(In millions)					
	FY2019-20 CSU BUDGET PLAN		FY2019-20 GOV. BUDGET		FY2019-20 July B-MEMO	
	One-Time	Base	One-Time	Base	One-Time	Base
Graduation Initiative (GI) 2025	-	75	30	45	2.0	2.1
Compensation	-	148	-	170	-	9.2
Enrollment Growth 2% <sup>(1)</sup>	-	108	-	85	2.3	3.2
Infrastructure	250	80	239	-	25.0	-
Mandatory Cost Increase	-	45	-	45	-	1.4
Basic Needs Initiatives <sup>(2)</sup>	15	-	46	16	0.1	-
Legal Services- Health and Human Serv. Chapter SUG	-	-	7	-	-	-
<b>Total</b>	<b>\$265</b>	<b>\$456</b>	<b>\$322</b>	<b>\$361</b>	<b>\$29.4</b>	<b>\$15.9</b>

<sup>1</sup> Includes only the state allocation for enrollment growth (tuition revenue estimated at \$2.3mil)

<sup>2</sup> 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

The CSU has received base funding to expand enrollment. The campus enrollment target for state-funded residents increased by 2% over FY 2018-19 levels, or an enrollment target of 24,582 FTEs. Since SF State's budget process started in February 2019, the enrollment target for budget planning was set at 0.5%, or an enrollment target of 24,219 FTEs. This planning target was based on a collaboration with Academic Affairs/Academic Resources and Student Affairs/Enrollment Management.

<sup>11</sup> [California Legislative Information -Assembly Bill 74](#)

<sup>12</sup> Coded Memo B 2019-02 [2019-02\\_Final\\_Budget\\_Allocations\\_Memo-7-19-19-final](#)

In order to achieve targeted graduation rates, student success and graduation rates continue to be SF State's top priority. The funding model commits both base and one-time funding to the colleges to meet enrollment demands and to provide resources to provide a full curriculum by expanding course sections. With additional Student Success Graduation Initiative 2025 (SSGI 2025) resources, the campus continues to invest in student success needs and on-going funds to support these efforts.

#### COMPENSATION EXPENSES AND WORKFORCE PLANNING

Campus divisions, departments, and units were charged to provide a full staffing plan as part of the budget planning process. This included planning for currently vacant positions.

The reason for this thorough review of positions is in preparation for the position budgeting solution, a technology-based solution to optimize human resource deployment. The position budgeting solution will provide the campus with analytics for workforce planning and critical decision-making capabilities for position funding and resource management including strategic management of salary savings.

#### OPERATING EXPENSES

The campus units were also charged to review operating expenses to ensure existing resources provide support for recurring operating expenses. The campus will continue last year's process of allowing operating fund carry-forward balances and open commitments from the prior fiscal year to cover operating expenses in the current fiscal year.

#### BASE ALLOCATION

FY19-20 base allocation is based on the budget request submission compared to last year's adjusted performance (without one-time expenses) plus the FY 2018-19 general salary increase (GSI) and increases approved by the President's cabinet during the year. Also, for FY19-20, any unspent base allocation from cabinets (i.e. carry-forward) will be used to cover the \$6 million one-time investment to cover the forecasted deficit between FY 2019-20 revenues and FY19-20 expenses.

#### BUDGET ADMINISTRATION

While the state and the CSU continue to budget on a year-to-year basis, SF State has engaged in a two-year budget planning process for the general operating fund and a five-year planning cycle for the self-support units. In addition to the amounts reported to the budget office, the units must provide a narrative describing the plan for changes in revenues and resources and related uses and expenses. These planning efforts will allow the campus to align recurring resources and uses, to support future strategic initiatives, and to correct budgetary shortfalls.

The allocation process for one-time carry-forwards, the units must follow the instructions as presented at year-end and published on the budget office website. The allocation will be posted to the campus general fund NR401 (Special Initiatives Fund) as a one-time allocation.

The consolidated budget for operations includes the general operating fund, both undesignated and designated; self-support operations, auxiliaries, special project funds, and the funded FY 2019-20 strategic initiatives. The President-approved commitments to strategic initiatives will be memorialized in this document as one-time allocations and uploaded to the Common Financial System (CFS) and reflected in the Period to Date (PTD) budget scenario in the Finance Data Warehouse (FDW) in the campus PS fund NR401.

The campus will conduct comprehensive financial quarterly reviews with the primary objective of identifying problematic financial situations that have occurred or are anticipated to occur prior to the close of the fiscal year. We are mandated by the Chancellor's Office to conduct at least two financial reviews every year (ICSUAM 2002).

In planning for FY 2020-21 we will continue to address the need for enhancing the current budget model to recognize several key and complex issues impacting the campus financial health in future years. These issues include expense management over multiple years, hiring plans, and program-level cost analysis to university reserve, carryforward, cost allocations, and chargebacks, along with other considerations linked to enrollment. With the development of the Academic Master Plan, it will provide an impetus to refine the budget model to include all previously mentioned elements. This is a major planning effort where we will request your support and engagement in the upcoming fiscal year.