

Business and Financial Affairs
San Diego State University
5500 Campanile Drive
San Diego CA 92182-1620
Tel: 619 · 594 · 5631
Fax: 619 · 594 · 6022
Email: tmccarron@mail.sdsu.edu




Thomas McCarron
Vice President and CFO

MEMORANDUM

DATE: February 16, 2018

TO: Sally Roush
President

FROM: Tom McCarron 
Chair, President's Budget Advisory Committee

SUBJECT: President's Budget Advisory Committee
Recommendation of February 15, 2018

Attached is the recommendation from the President's Budget Advisory Committee (PBAC) meeting of February 15, 2018 for approval of 2017/18 one-time funding requests totaling \$12,278,000. A one-time reserve balance of \$13,588,592 will remain upon approval of these requests.

Supporting materials are attached for your information. I recommend your approval.

If you have any questions, please let me know.

Attachments

PRESIDENT'S BUDGET ADVISORY COMMITTEE

February 15, 2018

RECOMMENDATION

Approve 2017/18 One-Time funding requests:

Academic Affairs

Spring FTES	2,940,000
Biology Labs Renovations	2,950,000
Physics Labs Renovations	1,000,000
Other Classroom Renovation	1,000,000
Enrollment Services - Application Evaluator (3 years)	250,000
IT Staff	200,000
EO 1110 1X Costs	150,000

Business & Financial Affairs

University Police:	
Radio Equipment Replacements	307,000
Records Support/Crime Analyst (1 year)	90,000
Access Control Review (3 year)	141,000

University Relations & Development


Donor Data Base Conversion	750,000
Web Communication Technology (3 years)	150,000

Institutional

IVC - Renovation	400,000
IVC security - 3 years of \$100K	300,000
IVC North Classroom	200,000
Painting	500,000
ECCC	500,000
Bonus \$650	450,000

2017/18 One-Time TOTAL \$12,278,000

Approved by:


Sally Roush, President

2.22.18
Date

President's Budget Advisory Committee
Meeting Agenda
February 15, 2018
2:00p.m. @ MH-3318

I. Call to order

- Call for amendments to agenda

II. Information Item

- 2018/19 Budget Update

III. Reports

- 2017/18 Revenues (Attachment 1)
- 2017/18 Base Reserves (Attachment 2)
- 2017/18 One-Time Reserves (Attachment 3)
- 2017/18 Multi-Year Budget (Attachment 4)

IV. Watch List

- Master Plan Costs
- Unfunded Compensation Items
- Campus Projects
 - Mission Valley

V. 2017/18 Funding Requests – ACTION

- 2017/18 One-Time Funding Requests – Summary (Attachment 5)

VI. 2017/18 Funding Requests

VII. New Business

VIII. Reminder

- Next Meeting Date – March 15, 2018 at 2:00 p.m. in MH 3318

SAN DIEGO STATE UNIVERSITY
2017/18 Revenue Estimates
As of February 15, 2018

	2016/17 Budget	2016/17 Actual	Over/(Under) Budget	% Over/(Under) Budget	2017/18 Budget	2017/18 Year to Date 2/7/2018	2017/18 Term End Estimate	Over/(Under) Budget	% Over/(Under) Budget
Basic Tuition Fee - Resident									
Summer	7,959,000	7,970,017	11,017	0.14%	7,571,000	8,981,833	8,981,833	1,410,833	18.63%
Fall	75,204,000	76,796,664	1,592,664	2.12%	78,130,000	79,401,985	79,401,985	1,271,985	1.63%
Spring	68,192,000	70,711,890	2,519,890	3.70%	71,823,000	67,065,422	71,853,570	30,570	0.04%
Sub-Total Basic Tuition - Resident	151,355,000	155,478,570	4,123,570	2.72%	157,524,000	155,449,240	160,237,388	2,713,388	1.72%
Tuition Fee Discounts	(41,243,800)	(41,243,800)	0	0.00%	(43,657,800)	(43,657,800)	(43,657,800)	0	0.00%
Net Basic Tuition - Resident	110,111,200	114,234,770	4,123,570	3.74%	113,866,200	111,791,440	116,579,588	2,713,388	2.38%
Basic Tuition Fee - Non-Resident									
Summer	983,000	1,317,453	334,453	34.02%	1,009,000	1,874,184	1,874,184	865,184	85.75%
Fall	7,662,000	11,202,228	3,540,228	46.21%	8,776,000	13,089,408	13,089,408	4,313,408	49.15%
Spring	6,931,000	10,190,746	3,259,746	47.03%	7,915,000	11,055,727	11,442,338	3,527,338	44.57%
Sub-Total Basic Tuition - Non-Resident	15,576,000	22,710,427	7,134,427	45.80%	17,700,000	26,019,320	26,405,931	8,705,931	49.19%
Out-of-State Tuition									
Summer	487,000	812,554	325,554	66.85%	508,000	1,121,592	1,121,592	613,592	120.79%
Fall	7,003,000	12,136,563	5,133,563	73.31%	9,221,000	14,598,839	14,598,839	5,377,839	58.32%
Spring	6,267,000	11,023,497	4,756,497	75.90%	8,293,000	12,213,388	12,733,459	4,440,459	53.54%
Sub-Total Out-of-State Tuition	13,757,000	23,972,614	10,215,614	74.26%	18,022,000	27,933,819	28,453,890	10,431,890	57.89%
International Tuition									
Summer	724,000	1,262,568	538,568	74.39%	757,000	1,476,086	1,476,086	719,086	94.99%
Fall	6,096,000	9,868,044	3,772,044	61.88%	6,823,000	10,525,510	10,525,510	3,696,510	54.13%
Spring	5,703,000	8,969,163	3,266,163	57.27%	6,252,000	6,317,963	9,253,475	3,001,475	48.01%
Sub-Total International Tuition	12,523,000	20,099,775	7,576,775	60.50%	13,838,000	18,319,559	21,255,070	7,417,070	53.60%
TOTAL TUITION	151,967,200	181,017,587	29,050,387	19.12%	163,425,200	184,064,138	192,694,479	29,268,279	17.91%
Application Fee									
Summer	2,294,000	3,426,555	1,132,555	49.37%	2,294,000	3,450,370	3,450,370	1,156,370	50.41%
Sub-Total Application Fee	2,294,000	3,426,555	1,132,555	49.37%	2,294,000	3,450,370	3,450,370	1,156,370	50.41%
TOTAL	154,261,200	184,444,142	30,182,942	19.57%	165,720,200	187,514,508	196,144,849	30,424,649	18.36%

(1) Term estimates are based on actual revenues.
(2) Term estimates are based on SAS Enrollment Report as of 2/7/2018 discounted based on prior year waiver/collections experience.

Base Budget Reserve ^[a]

2017/18 Beginning Base Budget Reserve Balance		1,588,256
	BL Allocations	10,596,000
	BL Mandatory Costs	(17,346,000)
	Campus Revenue Adjustments	11,459,000
	SDSU Compensation Pool - Surplus Base (projected vs actual bargained increases)	2,500,000
2017/18 Base Budget Reserve		8,797,256
2017/18 Approved Base Funding Requests		
Academic Affairs		
	Tenure-Track Faculty Hiring PBAC 4/27/2017	(1,500,000)
	Tenure and Promotion PBAC 4/27/2017	(399,055)
	Library Funding PBAC 4/27/2017	(100,000)
	CES-Funded Faculty PBAC 4/27/2017	(271,000)
	IVC Operations Budget PBAC 4/27/2017	(20,000)
	Instructional Student Assistants PBAC 4/27/2017	(500,000)
	University Graduate Fellowship (UGF) PBAC 4/27/2017	(500,000)
	Supplemental Instruction PBAC 4/27/2017	(245,000)
	Faculty Retention PBAC 1/18/2018	(550,000)
	AVP - IT PBAC 1/18/2018	(130,000)
	EAB Personnel PBAC 1/18/2018	(145,000)
	EO 1110 Base Costs PBAC 1/18/2018	(350,000)
Student Affairs		
	EOP Summer Bridge PBAC 4/27/2017	(47,000)
	International Student Transition & Retention PBAC 4/27/2017	(110,167)
	Peer Commuter Academic Mentoring Program PBAC 4/27/2017	(250,000)
	ISC Study Abroad Inbound (0.5 FTE) PBAC 1/18/2018	(51,954)
	ISC Study Abroad Outbound (1.0 FTE) PBAC 1/18/2018	(77,184)
Business & Financial Affairs		
	Public Safety - CRO PBAC 4/27/2017	(136,500)
	Public Safety - Threat Assessment PBAC 4/27/2017	(133,160)
	Public Safety - Dispatch Equity PBAC 4/27/2017	(51,000)
	Public Safety - SUPA Equity PBAC 4/27/2017	(36,000)
	Emergency Preparedness - Director & OE&E PBAC 4/27/2017	(200,000)
	Facilities Services - Maintenance Contracts PBAC 4/27/2017	(100,000)
	Facilities Services - Buyer/Analyst PBAC 4/27/2017	(100,000)
	Additional Custodians (restrooms) PBAC 1/18/2018	(650,000)
	Employee Relations & Compliance Labor Relations Manager PBAC 1/18/2018	(127,500)
University Relations & Development		
	National Branding & Marketing PBAC 4/27/2017	(150,000)
	Planned Giving Marketing PBAC 4/27/2017	(50,000)
	Development Officer PBAC 1/18/2018	(37,500)
Institutional		
	SSF ARP Coordinator PBAC 4/27/2017	(82,188)
	EIS - Maintenance to APPA Level 3 PBAC 1/18/2018	(61,000)
	EIS - Maintenance to APPA Level 2 PBAC 1/18/2018	(185,500)
	EIS Staff PBAC 1/18/2018	(37,500)
	Senate Staff Support PBAC 1/18/2018	(72,000)
Subtotal 2017/18 Approved Base Budget Funding Requests		(7,456,208)
2017/18 PENDING Base Funding Requests		
SubTotal 2017/18 PENDING Base Funding Requests		0
2017/18 Estimated Base Budget Reserve Balance		1,341,048
2017/18 Target Unallocated Base Budget Reserve		(4,000,000)
2017/18 Estimated Base Funding Available for Investment in the University		(2,658,952)

[a] All allocations for position funding are inclusive of average benefits costs.

One-Time Reserve ^[a]

2017/18 Beginning One-Time Reserve Balance		15,337,595
2017/18 Target Unallocated One-Time Budget Reserve		(8,000,000)
2017/18 One-Time Funding Available for Investment in the University		7,337,595
2017/18 Approved One-Time Funding Requests		
Academic Affairs		
Matching Grant Funds	PBAC 4/27/2017	(400,000)
Research Faculty Bridge Funding	PBAC 4/27/2017	(150,000)
Research Faculty Assigned Time	PBAC 4/27/2017	(125,000)
Graduate Research Grant Writing Program	PBAC 4/27/2017	(50,000)
Undergraduate Research Program	PBAC 4/27/2017	(200,000)
Expansion of Student Research Symposium	PBAC 4/27/2017	(44,000)
Supplemental Instruction	PBAC 4/27/2017	(100,000)
Library Outdoor Seating	PBAC 4/27/2017	(250,000)
T/TT Faculty Start-up (Areas of Excellence)	PBAC 4/27/2017	(2,000,000)
Summer SMART Technology Upgrades	PBAC 4/27/2017	(500,000)
Classroom/Teaching Laboratory Renovations	PBAC 4/27/2017	(2,500,000)
Provost Milestone Award	PBAC 4/27/2017	(100,000)
Visiting Scholars	PBAC 4/27/2017	(75,000)
Provost Undergraduate Mentoring Program	PBAC 4/27/2017	(50,000)
General Education Program Reform	PBAC 4/27/2017	(45,600)
New Registration Timeline Support	PBAC 4/27/2017	(249,600)
2016/17 Enrollment Growth (1400 FTES)	PBAC 4/27/2017	(2,940,000)
University Graduate Fellowship (UGF)	PBAC 4/27/2017	(500,000)
DUS Student Achievement Initiatives	PBAC 4/27/2017	(32,500)
SDCC Funds for Remedial Instruction	PBAC 4/27/2017	(150,000)
Library Subscriptions	PBAC 4/27/2017	(400,000)
NCFDD Memberships and IHE Subscription	PBAC 4/27/2017	(116,000)
Equipment Maintenance	PBAC 4/27/2017	(311,000)
Center for Teaching & Learning	PBAC 4/27/2017	(59,000)
Advising Staff (3 years)	PBAC 1/18/2018	(2,520,000)
Student Affairs		
Black Resource Center Renovation	PBAC 4/27/2017	(500,000)
OFAS Renovation	PBAC 4/27/2017	(800,000)
ADA Mandatory Accommodations	PBAC 4/27/2017	(208,000)
Business & Financial Affairs		
EH&S - Chemical Inventory Tracking Software	PBAC 4/27/2017	(75,000)
Public Safety - CSO	PBAC 4/27/2017	(100,000)
Public Safety Dispatcher	PBAC 4/27/2017	(95,000)
New Registration Timeline Support	PBAC 4/27/2017	(120,000)
University Relations & Development		
Institutional Television Spot	PBAC 4/27/2017	(100,000)
Institutional		
Staff Professional Development (across the University)	PBAC 4/27/2017	(250,000)
Enhancing Campus Climate and Culture (ECCC) initiatives	PBAC 4/27/2017	(500,000)
SDSU Research Foundation	PBAC 4/27/2017	(1,000,000)
Worker's Compensation (Year 3 of 4)	PBAC 4/27/2017	(700,000)
Painting	PBAC 4/27/2017	(500,000)
Window Washing	PBAC 4/27/2017	(75,000)
HVAC Replacement - North Life Sciences/Education	PBAC 4/27/2017	(2,500,000)
Alley behind OHA	PBAC 4/27/2017	(500,000)
Veteran House - Rent (for 4 years)	PBAC 4/27/2017	(90,000)
SubTotal 2017/18 Approved One-Time Funding Requests		(21,980,700)

2017/18 PENDING One-Time Funding Requests

Academic Affairs

Spring FTES Funding	PBAC 2/15/2018	(2,940,000)
Biology Lab Renovations	PBAC 2/15/2018	(2,950,000)
Physics Lab Renovations	PBAC 2/15/2018	(1,000,000)
Other Classroom Renovations	PBAC 2/15/2018	(1,000,000)
Enrollment Services - Application Evaluator (3 years)	PBAC 2/15/2018	(250,000)
IT Staff	PBAC 2/15/2018	(200,000)
EO 1110 Costs	PBAC 2/15/2018	(150,000)

Business & Financial Affairs

Radio Equipment Replacements	PBAC 2/15/2018	(307,000)
Records Support/Crime Analyst	PBAC 2/15/2018	(90,000)
Access Control Review (3 years)	PBAC 2/15/2018	(141,000)

University Relations & Development

Donor Database Conversion	PBAC 2/15/2018	(750,000)
Web Communication Technology (3 years)	PBAC 2/15/2018	(150,000)

Institutional

IVC Renovation	PBAC 2/15/2018	(400,000)
IVC Security (3 years)	PBAC 2/15/2018	(300,000)
IVC North Classroom	PBAC 2/15/2018	(200,000)
Painting	PBAC 2/15/2018	(500,000)
ECCC	PBAC 2/15/2018	(500,000)
Bonus \$650	PBAC 2/15/2018	(450,000)

SubTotal 2017/18 PENDING One-Time Funding Requests

(12,278,000)

2017/18 Funding Sources [b]

2017/18 Student Success & Completion/Graduation Initiatives	744,000
Estimated Tuition and Fee Revenues over Budget (Sum/Fall Only)	18,268,438
Estimated Tuition and Fee Revenues over Budget (Spring/Application Only)	12,156,211
Estimated One-Time Carry-forward of Base Budget Reserve	1,341,048

2017/18 Estimated One-Time Reserve Balance

13,588,592

2017/18 Target Unallocated One-Time Budget Reserve

(8,000,000)

2017/18 Estimated One-Time Funding Available for Investment in the University

5,588,592

[a] All allocations for position funding are inclusive of average benefits costs.

[b] Additional \$5M held for 2017/18 funding gap as approved by PBAC on 2/16/2017

SDSU Multi-Year Budget Plan

Institutional Base Reserve

	2014/15	2015/16	2016/17 (B 2016-02)	2017/18 (B 2017-03)	2017/18 (B 2017-05)
Beginning Balance	4,236,929	2,675,762	5,200,077	1,588,256	1,588,256
Tuition Rollback/Buyback					
GF Base adjustments	1,612,400	8,093,800	4,134,000	9,985,000	10,596,000
GF Base Compensation (15/16) - Faculty (2% each year)		2,424,000			
GF Base Compensation (16/17) - Faculty (2% each year)		2,537,000			
Est. Compensation Costs - Faculty (7%)		(9,100,000)			
GF Base Compensation (16/17) - Staff/Mgmt (2%)		2,593,000			
Est. Compensation Costs - Staff/Mgmt (3%)		(4,035,000)			
Est. Compensation Costs (17/18)			(14,392,000)		(14,392,000)
Adjust Compensation Pool for Projected vs Actual Bargained Increases					2,500,000
Student Success & Completion Initiatives (GF allocation)		982,000	120,000		
Enrollment Growth funding	836,000	3,104,000	2,068,000		
GF tuition fee discount adjustment based on campus relative student need		(155,000)	(96,000)		
Basic Tuition Revenue (net of SUG tuition discounts)/Non-Resident Tuition	5,148,100	3,903,800	3,268,000	11,459,000	11,459,000
PBAC allocations:					
Est. Mandatory Costs	(2,718,500)	(8,093,800)	(4,134,000)	(2,947,000)	(2,954,000)
Est. Multi-Year Commitments [a]	(225,200)	-	-	-	-
Divisional Allocation					
University Non-Divisional Reduction			(10,000)		
PRES Critical Support Needs	(803,528)	(1,096,706)	(2,180,017)	(1,999,055)	(1,999,055)
AA Strategic Initiatives	(668,768)	(720,718)	(118,000)	(1,536,000)	(1,536,000)
AA Critical Support Needs	(264,588)	(291,056)	(203,646)	(407,167)	(407,167)
SA Strategic Initiatives	(25,000)	-	-	-	-
SA Critical Support Needs	(20,000)	(140,000)	(75,000)	(136,500)	(136,500)
BFA Strategic Initiatives	(433,013)	(602,500)	(599,158)	(620,160)	(620,160)
BFA Critical Support Needs	(97,240)	(200,000)	(100,000)	(200,000)	(200,000)
URD Strategic Initiatives	(301,800)	-	-	-	-
URD Critical Support Needs			(105,000)	(82,188)	(82,188)
Instit Strategic Initiatives				-	-
Instit Critical Support Needs		(107,400)			
Encumbered for 2014/15 AA Faculty hires	(2,300,030)				
Encumbered for 2015/16 AA Faculty hires	(1,300,000)				
4/16/15 PBAC Allocation		(652,105)			
11/19/15 PBAC Allocation		(1,500,000)			
11/19/15 PBAC Allocation Encumbered for 2017/18 (was 2016/17) Faculty hires					(2,475,138)
1/18/2018 PBAC Allocation					1,341,048
Unallocated Base Reserve	2,675,762	5,200,077	1,588,256	712,186	1,341,048
Target Unallocated Base Reserve		(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
Base Funding Surplus/(Deficit) from Target Reserve		1,200,077	(2,411,744)	(3,287,814)	(2,658,952)

SDSU Multi-Year Budget Plan

Institutional One-time Reserve

	2014/15	2015/16	2016/17 (B 2016-02)	2017/18 (B 2017-03)	2017/18 (B 2017-05)
Beginning Balance	10,844,769	9,065,498	9,986,199	15,337,595	15,337,595
Unallocated Institutional Base Reserve	2,675,762	5,200,077	1,588,256	712,186	1,341,048
Encumbered for Future Year AA Faculty hires - available for 1-time use in Current Year					
GF Base Compensation (15/16) withheld by CO - Faculty (2%)	2,300,030	1,500,000	1,500,000	-	-
Student Success & Completion/Graduation Initiatives			2,424,000		
2016/17 Student Success (\$35M CSU)			254,000		744,000
Est. Fee Revenues over Budget (Sum/Fall)	21,566,615	13,910,518	15,248,090	11,500,000	18,268,438
Est. Fee Revenues over Budget (Spr/application)		12,668,170	14,934,851		12,156,211
PBAC Allocations:					
Divisional Allocation					
AA Strategic Initiatives	(850,000)	(3,391,000)	(10,349,600)	(6,544,000)	(6,544,000)
AA Critical Support Needs	(3,118,428)	(4,169,032)	(4,679,508)	(4,803,700)	(4,803,700)
SA Strategic Initiatives	(137,810)	(451,000)	(1,530,749)	(1,300,000)	(1,300,000)
SA Critical Support Needs				(208,000)	(208,000)
BFA Strategic Initiatives	(380,000)	(38,000)	(5,000)		
BFA Critical Support Needs	(500,000)	(218,732)	(103,000)	(390,000)	(390,000)
URD Strategic Initiatives	(595,000)	(450,000)	(300,000)	(100,000)	(100,000)
URD Critical Support Needs					
Instit Strategic Initiatives	(1,250,000)	(1,250,000)	(1,250,000)	(750,000)	(750,000)
Instit Critical Support Needs	(1,777,000)	(1,900,000)	(2,430,000)	(5,365,000)	(5,365,000)
Encumbered for 2014/15 AA faculty start-up					
Encumbered for 2015/16 AA faculty start-up					
Encumbered for 2016/17 AA faculty start-up	(2,240,000)	(1,617,000)			
10/16/14 PBAC Allocation	(3,043,440)				
12/11/14 PBAC Allocation	(5,075,000)				
2/12/15 PBAC Allocation	(855,000)				
4/16/15 PBAC Allocation	(8,500,000)				
11/19/15 PBAC Allocation		(10,531,500)			
2/25/16 PBAC Allocation		(6,220,000)			
4/14/16 PBAC Allocation		(2,121,800)			
2/16/17 PBAC Allocation			(5,402,059)		
2/16/17 PBAC Allocation - HOLD for 17/18 Funding Gap			(5,000,000)		
4/13/17 PBAC Allocation			(1,300,000)		
Project Balances for Completed PBAC Projects			102,115		
1/18/2018 PBAC Allocation					(2,520,000)
Pending Base Request PBAC 2/15/2018					(12,278,000)
Unallocated One-Time Reserve	9,065,498	9,986,199	15,337,595	8,089,081	13,588,592
Target Unallocated One-Time Reserve					
Est. One-Time Funding Surplus/(Deficit) from Target Reserve		(8,000,000)	(8,000,000)	(8,000,000)	(8,000,000)
		1,986,199	7,337,595	89,081	5,588,592

SDSU Additional FY1718 1X Requests (Proposed)				
Divisions	Proposed	Feb 15 Requests	Roll-over FY 18/19	Expected FY1819 Requests
(1) Additional FY17/18 requests				
AA Spring FTES funding	2,940,000	2,940,000		2,800 FTES are not base funded. 1X fund will hire 63.6 (FTEF) lecturers assuming class size of 44 and salary/benefits at 92K. More info in detailed write-up. This is the spring allocation.
Biology labs renovations	2,950,000	2,950,000		Four lab renovations in North Life Sciences . See attached for more details
Physics labs renovations	1,000,000	1,000,000		Upgrades and modernization primarily lab equipment of four labs. See attached for more details
Other classroom renovation	1,000,000	1,000,000		Upgrades/renovation of instructional spaces. See attached for more details
Enrollment Services - Application Evaluator (3 years)	250,000	250,000		Application evaluation unit support person plus travel support for non-resident enrollment.
IT staff	200,000	200,000		Meet IT needs such as website update
EO 1110 1X costs	150,000	150,000		Support development of new courses via assigned time to faculty
BFA University police:				
Radio Equipment replacements	307,000	307,000		SDSU is a partner of the Regional Communication Systems (RCS) and must be compliant with the new radio system referred to as P25. The upgrade must be completed by mid 2018
Records support/crime analyst (1 year)	90,000	90,000		The position was eliminated in 2009. Currently dispatchers work overtime to fulfill the responsibilities. 40% of this position will focus on records work. 60% will focus on crime statistics analysis and social media analysis to support Intelligence Led Policing.
Access control Review (3 year)	141,000	141,000		Add a position which will allow for in depth review of access control technology in order to improve safety/security and efficiency on campus. For example, more than 40 buildings still rely on hard key access which is inconsistent with best practices with respect to emergency preparedness.

Divisions	Proposed	Feb 15 Requests	Roll-over FY 18/19	Expected FY1819 Requests	
Escort program (3 year)	150,000				To increase resources in order to meet the increasing demand of the escort program. There are 150,000 several proposals being discussed. Delay to 1819
SA ADA Mandatory Accommodation	250,000				250,000 Funding gap for accommodations for deaf and hard of hearing students
URAD Donor data base conversion	750,000	750,000			The existing University donor database will no longer be serviced and is required to be replaced prior to beginning the next Campaign. URD is requesting half the funding and TCF is offering to fund the other half of the cost.
Web communication technology (3 years)	150,000	150,000			Marketing and Communications needs this inbound marketing software platform which helps us attract visitors, convert leads, and close stakeholders (ie donors, alumni, students).
Institutional IVC - Renovation	400,000	400,000			IVC admin refresh, faculty west refresh and removal of modulars and site restoration.
IVC security - 3 years of \$100K	300,000	300,000			Increase the hours of providing unarmed security services in Callexico and Brawley. See detailed write-up for other higher cost options.
IVC North Classroom	200,000	200,000			Project addresses exterior and interior building deficiencies caused by the 2010 earthquake. \$1,822,000 funded by CSU, balance \$200,000 is required campus contribution to project.
Painting	500,000	500,000			Support additional painting (North & South Art complex, Engineering bldg, heavily trafficked interiors)
ECCC	500,000	500,000			Focus on ADA issues
Bonus \$650	450,000	450,000			50% of bonus payments in FY1718 per CBA. 50% will be funded by CSU
Total requests	12,678,000	12,278,000	0	400,000	

PRESIDENT'S BUDGET ADVISORY COMMITTEE
January 18, 2018
MINUTES

	Area Budget Reps Present:	Staff Present:	Guests Present:
Tom McCarron	Radmila Prislin	Crystal Little	
Chukuka S. Enwemeka	Agnes Wong Nickerson	Nance Lakdawala	
Marcie Bober Michele	Travis Clancy		
Mary Ruth Carleton			
Donna Conaty			
Gina Jacobs			
Eric Rivera			
Chimezie Ebiriekwe			

Voting Members Absent:	Area Budget Reps Absent
Cezar Ornatowski	Leslie Levinson
	Tony Chung

I. **Call to order** - VP McCarron called the meeting to order at 2:06 p.m. He inquired if there were any amendments to the agenda but there were none.

II. **Information Items**

- **2018/19 Budget Update** – VP McCarron said we expected the Governor's budget to be \$102M but it came in at \$92M. The funding is also supposed to be used for the 2025 Graduation Initiative. Governor Brown also specified that if we raise tuition, he will reduce the Cal Grant amount. The Board of Trustees' agenda will be released tomorrow for the January 30th meeting. Trustees will discuss a possible tuition increase. CSSA has been put on notice. Chancellor White communicated the budget only contains a 1.4% increase to our overall operating budget. VP McCarron is a member of the CSU financial task force that has been discussing various tuition models. Some trustees are also members of the workgroup. We know our costs thru 2020 but don't know our revenues. UC will be voting a week before the CSU on a 2.7% tuition increase plus fees. CSU trustees are not voting at the January meeting. AVP Prislin is presenting a budget item at the Senate Executive Committee on January 23rd. She invited VP McCarron to attend as well. We do have a \$5M one-time reserve which might be used to ease into any budget reductions. Governor Brown does have a good rainy day fund of over \$10B in his budget plan.

III. **Reports**

- **2017/18 Revenues (Attachment 1)** – VP McCarron said we are up about \$2.3M from our last meeting. This figure includes the application fees.
- **2017/18 Base Reserves (Attachment 2)** – VP McCarron said this is the same schedule as last month. We have \$1.34M in base reserve. CSU might allot more

funding to help with the compensation increases. We have not received the budget letter yet which will bring us closer to our target of \$4M.

- **2017/18 One-Time Reserves (Attachment 3)** – Pending one-time requests are reflected. The estimate does not include spring overage of about \$10M. So we will have about \$4M for one-time funds.
- **2017/18 Multi-Year Budget (Attachment 4)** – The attachment has several years of history of base and one-time reserves.

IV. Watch List

- **Master Plan Costs** – We continue to move forward and have published our master plan fix. Gatzke Dillon is our law firm. We plan to present to BOT in May.
- **Unfunded Compensation Items**– No update.
- **Campus Projects – Mission Valley** – We will be sending many communications about the project to campus.

V. 2017/18 Funding Requests

- **2017/18 Base Funding Requests – Summary (Attachment 5)** – Requests are listed in the December agenda. VP Carleton moved to approve the funding requests, AR&P Chair Conaty seconded, and the motion passed unanimously.

VI. 2017/18 Funding Requests

- **2017/18 One-Time Funding Requests – Summary (Attachment 6)** – AVP Wong Nickerson gave an overview. Requests are laid out by division. Two items have been postponed until further information is provided.
- **2017/18 One-Time Funding Requests – AA (Attachment 7)** – AVP Prislin presented the requests. She mentioned it would take about two years to renovate all of the labs, however, they may be able to outsource some of the work. VP McCarron requested further worksheets reflect when work is scheduled. Physics labs are also used by engineering students. Our standard practice should be showing metrics on how to track these expenditures. AR&P requested more time to discuss the funding requests. Provost Enwemeka said the advising item is tied to the 2025 graduation initiative, and the new registration timeline begins in April so we need to approve the advising item immediately.
- **2017/18 One-Time Funding Requests – BFA (Attachment 8)** – AVP Wong Nickerson presented these items.
- **2017/18 Base Funding Requests – URAD (Attachment 9)** – TCF CFO Clancy presented these items.
- **2017/18 Base Funding Requests – INSTIT (Attachment 10)** – AVP Wong Nickerson presented these items.

VP McCarron asked if there were any other items that need to be approved right away. Provost reiterated the advising item is urgent. VP Carleton moved to approve the advising item, VP Rivera seconded, and the item passed unanimously. AR&P Chair Conaty will discuss it with AR&P.

PRESIDENT'S BUDGET ADVISORY COMMITTEE
January 18, 2018
MINUTES

VP McCarron said we may hold a budget forum in February to discuss what we are facing as a university. AVP Wong Nickerson said AR&P discussed the budget process and feels it needs to be more inclusive. VP McCarron said each division has its own process which should be further explained. AR&P is asking if there is criterion for priorities and VP Rivera responded that for the last five years, the strategic plan has been the driving force for requests. AR&P Chair Conaty said AR&P would like clarification of the process at the start of the budget cycle. An idea is to start with a joint discussion by all the budget committees and then provide a model that filters throughout the university. This is a good time to reevaluate the process because we are sunseting the strategic plan and the new president will want to make some changes.

The budget forum will include other campus leaders. It would be good to have a forum early in the budgeting process.

- VII. New Business** – None. Meeting adjourned at 3:23 p.m.
- VIII. Reminder – Next Meeting Date** – Thursday, February 15, 2018 at 2:00 p.m. in MH-3318.

PRESIDENT'S BUDGET ADVISORY COMMITTEE
February 15, 2018
MINUTES

	Area Budget Reps Present:	Staff Present:	Guests Present:
Tom McCarron	Radmila Prislin	Crystal Little	
Chukuka S. Enwemeka	Agnes Wong Nickerson	Nance Lakdawala	
Marcie Bober Michele	Travis Clancy		
Mary Ruth Carleton	Leslie Levinson		
Donna Conaty			
Gina Jacobs			
Eric Rivera			
Cezar Ornatowski			
Chimezie Ebiriekwe			

Voting Members Absent: **Area Budget Reps Absent**
Tony Chung

I. Call to order - VP McCarron called the meeting to order at 2:05 p.m. He inquired if there were any amendments to the agenda but there were none.

II. Information Items

- **2018/19 Budget Update** – VP McCarron will present at the budget forum tomorrow. Board of Trustees is postponing votes on tuition until May. The budget forum is part of a plan to update leadership on important topics. Invitees include deans, associate deans, AR&P, PBAC, BRAT, VPs, AVPs, and other senior leadership AR&P met this week and discussed processes. Member Conaty said they appreciate the information and context that they have been getting. The budget forum will be a good opportunity to exchange ideas. AR&P wants to have PBAC, AR&P, and BRAT meet together at the start of budget planning. They also inquired with academic departments on what they want to talk about. Member Wong Nickerson said AR&P had some very specific proposals in their report last April. VP McCarron asked for the minutes from the April report. He will have a discussion with President Roush about a joint meeting.

III. Reports

- **2017/18 Revenues (Attachment 1)** – The Spring revenues are reflected and add \$11.5M which brings us to \$34M total.
- **2017/18 Base Reserves (Attachment 2)** – No change. Our goal is \$4M.
- **2017/18 One-Time Reserves (Attachment 3)** – Assuming the items presented today are approved, we will have a balance of \$13.58M which is above our target.
- **2017/18 Multi-Year Budget (Attachment 4)** – This attachment reflects our base reserve with several year history, and institutional one time reserves of \$6M.

Watch List

- **Master Plan Costs** – We are working diligently to bring the master plan fix to Board of Trustees in May. We have identified offsite mitigation costs. CSU East Bay presented its plan in January and it was approved. We will negotiate the mitigation with the appropriate agencies.
- **Unfunded Compensation Items**– Prospectively, this is an issue for us. We know our costs thru 2020 because of negotiated bargaining agreements but we don't know what our revenues will be. We set aside a one-time reserve of \$5M last year which will help us bridge potential FY2018-19 budget shortfalls.
- **Campus Projects – Mission Valley** – Member Jacobs said the signatures Friends of SDSU collected were verified so city council will consider at the end of February if the initiative will go on the November ballot. They needed 71,000 but got 81,000. We will continue to do vision presentations around campus so let Member Jacobs know if you would like a presentation for your groups.

IV. 2017/18 Funding Requests - ACTION

- **2017/18 One-Time Funding Requests – Summary (Attachment 5)** – The advising item was approved at our last meeting. AR&P supports everything on today's list for approval. BRAT is also supportive. VP Carleton moved, Member Conaty seconded, and the motion passed unanimously. We hope to have the president's approval within a week.

V. New Business – None. Meeting adjourned at 2:30 p.m. Member Ornatowski will not be able to attend the next meeting.

VI. Reminder – Next Meeting Date – Thursday, March 15, 2018 at 2:00 p.m. in MH-3318.

Revised: April 18, 2017

TO: SENATE EXECUTIVE COMMITTEE

FROM: Academic Resources and Planning Committee:
Donna Conaty and Cheryl James-Ward, co-chairs

RE: AR&P Response to SEC referral dated January 13, 2017
"Examine the methodology driving the university's budget process."

At our request, SEC clarified the referral on January 24 suggesting that the committee focus upon allocations to and from Academic Affairs. As stated in an AR&P discussion following the referral, the gold standard is to establish transparency and trust in the campus budget process. In this document AR&P provides an overview of the discussions held since the referral, a contextual overview of the SDSU budget comparing it to the peak state funding years of 2007-08, findings, and recommendations for future action. Since the initial committee response (a memo to SEC dated March 20), a number of the short-term recommendations have taken place. The committee appreciates the responsiveness of the Senate Executive Committee, as well as key members of the campus administrative leadership.

Timeline and process

January 31- AR&P. The committee discussed the referral which included reviewing information prepared by Senator Gordon Shackelford dated 1-8-2017. After extensive discussion, the committee arrived at a consensus that AR&P is not the appropriate committee to examine budgetary methodology. (*See minutes provided to Senate*)

The committee noted that such a charge requires significant knowledge of specific budgetary practices, basis for historical budget allocations, and both a broader and deeper level of understanding of the comprehensive university budget processes and decision-making practices. This level of specificity is not something that members of AR&P are necessarily equipped to address. However, the committee found that SDSU senators should be given an opportunity to learn more about the budget, budget processes, and present questions they have regarding allocation processes, specifically allocations in Academic Affairs.

February 7-University Senate. President Hirshman spent most of his allocated time listening to and answering questions from the floor about the university budget. He framed his presentation within the context of lower support from states for public higher education. Within his remarks, he appeared open to the idea of modifying the current process to include more

Senate participation.

February 14 - AR&P. The committee invited Dr. Douglas Deutschman, Associate Dean for Research, College of Sciences, to present his findings regarding university budget processes and decision-making as well as details specific to his College. Based on his presentation, which included examples of other university budgetary processes, it is clear that we are not alone among public universities in seeking to strike a workable balance between shared governance, transparency, open processes, and enabling effective and timely decision-making.

March 14 - AR&P. Discussion centered largely upon the referral and refining the response to that referral. In particular, developing a set of questions that VP Tom McCarron could address at an upcoming Senate meeting in April in order to provide overall context and opportunity for senators to respond and ask additional questions.

April 4 - Senate. A presentation was made by Senator Gordon Shackelford seeking support for a Sense of the Senate resolution with specific budget targets to be allocated to Academic Affairs.

April 11 - AR&P. The agenda included discussion of the Sense of the Senate Resolution presented by Senator Shackelford during the April 4 full Senate meeting -- a document that had undergone substantial evolution from the original version the committee reviewed in January. VP Tom McCarron was invited to answer committee questions about the financial implications of the resolution. The committee also discussed whether other ways of prioritizing requests for base and one-time funding might be feasible, rather than the current model that brings forward requests by division. For example, given that the committee considers facilities renovation requests among the one-time budget line items, is there merit to examining such requests in a comprehensive campus-wide framework rather than by division?

Throughout these extensive discussions the committee noted that having access to information regarding the budget, which SDSU provides publically on its websites, does not necessarily lead to budget fluency among campus community members. The information requires a good amount of analysis and is not simple to read and understand.

Like many institutions across the country, SDSU may find it not only helpful, but also necessary, to engage in the type of discourse that our colleagues at other public universities have pursued. If this is an option to be given serious consideration, and we believe it should, the following information and findings may help to inform such dialogue and enable broader

understanding about how budget decisions are made across the campus.

Point of comparison: 2007-08

2007-08 was the peak year for state appropriation and therefore is used as a basis of comparison for this portion of our report.

The SDSU budget can be outlined in a variety of ways. The overall campus budget is comprised of every aspect of campus activities ranging from Financial Aid and Scholarships, Campanile Foundation, Research Foundation, Associated Students, Lottery funds, to parking fees/fines as well as state appropriation and tuition/fees. The SDSU budget in 2016-17 is approximately \$842.6M. In 2007-08 SDSU's overall campus budget was \$735M.

The portion of the SDSU budget made up of CSU appropriation, tuition/fee revenue, revenue-based cost recovery and student success fee comprises the SDSU Operating Fund.

Had state appropriations to the CSU kept pace with the California Consumer Price Index, SDSU's share of CSU appropriations might have grown to approximately \$253.5M¹ by 2016. Instead, we are \$73M under the level that would have kept up with inflation, and \$41.7M below actual 2007-08 dollars.

The growth of non-resident tuition/fees and implementation of the Student Success Fee have been critically important to the sustainability of our campus. Non-resident tuition and fees have added \$53M to the SDSU operating fund compared to 2007-08 and the Student Success Fee this year will generate \$9M.

In order to make a direct comparison related to state appropriation and tuition/fees between '07-08 and '16-17, Table 1 does not contain the recently enacted Student Success Fee nor does it include revenue-based cost recovery.

TABLE 1: (OPERATING FUNDS) SDSU state appropriation and tuition revenues

Description	2007-08	2016-17
SDSU share of state appropriation	\$221.3M	\$179.6M
% of SDSU Operating Funds provided by state appropriation (excludes auxiliaries such as AS, Aztec Shops, Campanile Foundation, Research Foundation etc.)	47.8%	32.8%
Net tuition revenue:	\$109.9M ²	\$178.4M ³

¹ <https://www.boe.ca.gov/proptaxes/pdf/lt15055.pdf>

² <http://bfa.sdsu.edu/financial/budget/budfin/docs/PBAC02282008.pdf>

³ PBAC materials, 4.13.17

<i>Resident tuition (formerly called state university fee or SUF)</i>	<i>\$95.5M</i>	<i>\$110.9M</i>
<i>Basic tuition fee, non resident</i>	<i>\$7.8M</i>	<i>\$24M</i>
<i>Out-of-state tuition</i>	<i>(not differentiated in report)</i>	<i>\$23.7M</i>
<i>International tuition</i>	<i>\$6.6M</i>	<i>\$19.8M</i>
<i>% of net tuition revenue: resident tuition</i>	<i>87.0%</i>	<i>62.2%</i>
<i>% of net tuition revenue: non resident and international</i>	<i>13.0%</i>	<i>37.8%</i>
TOTAL OF APPROPRIATION AND NET TUITION	\$331.2M	\$358M

Each year the CSU is allocated funding that determines how many California resident students the system can support. These full-time equivalent numbers (FTES) are assigned to each campus after consultation with the campus president. Table 2 reflects the budgeted FTES for California resident students at SDSU:

TABLE 2: State budgeted full-time equivalent students (FTES) and enrollment, includes IVC

Description	2007-08	2016-17
State funded full-time equivalent students, including summer ⁴⁵	29,751	27,304
Student/Faculty ratio	18.9:1	23.8:1
SDSU enrollment fall semester ⁶	36,559	34,688
Average units taken	12.5	13.3

Allocation of SDSU Operating funds by Division

An analysis of the allocation of SDSU Operating Funds by division over the past ten years can be challenging. The recession years required a number of cuts, sometimes multiple ones across a calendar year. Many were proportional, while others sought to mitigate the impact on Academic Affairs, which is the largest division of the university. Between 2010-11 and 2011-12, the university absorbed over \$52M in state cuts, as well as \$16M in unfunded mandatory costs. Even with an increase of tuition revenue of \$24.6M between the two years, the total reduction across the divisions was over \$43M.

Table 3 outlines the allocations from 2007-08 to the present from the SDSU Operating Fund budget. Table 4 represents the same allocations in percentage terms.

⁴ <http://bfa.sdsu.edu/financial/budget/budfin/0708/SupportBudgetIntroduction.pdf>

⁵ AVP Agnes Wong, Business Affairs

⁶ asir.sdsu.edu

Table 3: SDSU Operating Fund Allocations by Dollar Amount

Fiscal Year	Academic Affairs	Business & Financial Affairs	Student Affairs	URAD	Athletics	President, KPBS
2016-17	239,315,957	52,078,287	30,506,866	7,602,730	7,649,035	2,665,800
2015-16	229,780,378	55,304,638	29,098,416	6,966,721	7,566,315	2,573,359
2014-15	212,044,448	49,821,362	28,040,357	6,550,705	7,081,567	2,462,578
2013-14	200,316,964	44,480,181	27,967,369	6,027,723	6,585,630	2,408,964
2012-13	191,939,213	43,720,376	26,466,742	5,457,554	5,806,922	2,376,513
2011-12	192,545,514	42,747,798	29,179,309	6,163,878	5,761,405	2,549,730
2010-11	215,145,679	48,323,433	27,538,324	6,597,041	11,940,856	2,557,314
2009-10	200,218,695	45,033,653	23,709,862	6,200,165	15,890,477	2,568,098
2008-09	214,342,551	42,374,718	26,897,607	6,906,232	12,078,692	2,890,632
2007-08	208,954,051	41,670,282	26,194,961	6,637,264	11,395,439	2,936,441

Table 4: SDSU Operating Fund Allocations Represented as Percentages of Operating Fund

Fiscal Year	Academic Affairs	Business & Financial Affairs	Student Affairs	URAD	Athletics	President, KPBS
2016-17	61.84%	13.46%	7.88%	1.96%	1.98%	0.69%
2015-16	61.81%	14.88%	7.83%	1.87%	2.04%	0.69%
2014-15	60.76%	14.28%	8.03%	1.88%	2.03%	0.71%
2013-14	60.99%	13.54%	8.52%	1.84%	2.01%	0.73%
2012-13	56.21%	12.80%	7.75%	1.60%	1.70%	0.70%
2011-12	55.65%	12.36%	8.43%	1.78%	1.67%	0.74%
2010-11	57.17%	12.84%	7.32%	1.75%	3.17%	0.68%
2009-10	56.70%	12.75%	6.71%	1.76%	4.50%	0.73%
2008-09	59.01%	11.67%	7.41%	1.90%	3.33%	0.80%
2007-08	59.18%	11.80%	7.42%	1.88%	3.23%	0.83%

The budget category of **Institutional** becomes important at the next stage of understanding

the budget process. If one examines historical funding allocations, (e.g. <http://bfa.sdsu.edu/financial/budget/budfin/1617/GFBudget1617.pdf>) the information often shows two allocation lines to each division, one of which is labeled **Institutional**. As funding requests are moved through the overall PBAC process, the Institutional funding requests can be generated to cover emergency repairs or deferred maintenance (infrastructure items such as steam, chillers, HVAC or electrical systems), to fund expenses generated from campus wide committees (e.g. gender neutral bathrooms), cover major construction projects (academic buildings that require institutional level planning and contract obligations), or to make up the difference between the budget for certain allocations compared to the actual cost (e.g. insurance, space rental, collective bargaining contracts.) **Institutional** budget items may align with a specific division or cut across a number of divisions; they are categorized as **Institutional** in part because of the mechanisms involved in the process of paying for the budget item. As a specific example, \$5M was approved for **Institutional** one-time funding in 2016-17 to be held in reserve to cover potential 2017/18 fiscal year funding gaps between the cost of new CSU collective bargaining agreements and what the Chancellor's office was actually going to provide to campuses to pay for the new agreements. The EIS building was also included in **Institutional** requests for one-time funds during the past two years.

Base Funding

Base funding is a permanent allocation from the SDSU Operating Fund (again, made up of CSU appropriation, tuition/fee revenue, revenue-based cost recovery and student success fee). The strategy of increasing the number of non-residents, as outlined earlier, has added approximately \$53M in revenue to SDSU in 2016-17 compared to 2007-08. The campus practice is to view $\frac{2}{3}$ of non-resident tuition and fees as base, and $\frac{1}{3}$ of those tuition and fees as one-time funds. Requests for new base funding come through the divisions, are discussed from an operational/implementation perspective in the Budget Resource Advisory Assessment Team (BRAT), then presented for Senate feedback (AR&P) and finally to the President's Budget Advisory Committee (PBAC). Since the advent of the SDSU Strategic Plan, proposals are prioritized according to critical needs and strategic initiatives.

Table 5 reflects base-funding allocations as a percentage of new allocated funds. The manner by which funds were used as one-time in a given fiscal year and then encumbered as base in subsequent years was implemented in 2013 to enable better planning for significant long term investments such as tenure track hires and other strategic initiatives identified in the SDSU Strategic Plan. Given the amount of time needed to tease out the specific amounts, we have examined PBAC allocations from 2014 forward. Note that the mandatory costs (Column D) passed to SDSU have been increasing over the past three years and in the current fiscal year exceed \$17M.

Table 5 New Base Funding 2014-15 to 2016-17 (taken from PBAC documents as of 2/16/17)

NEW BASE ADJUSTMENTS

Fiscal Year	A. BEGINNING BALANCE	B. General Fund Allocation	C. Tuition Revenue	D. Mandatory Costs	A+B+C+D= AVAILABLE BASE	Total Allocated through PBAC	Reserve retained for subsequent year
2014-15	\$4,236,929	\$2,223,200	\$5,148,100	-\$2,718,500	\$8,889,729	\$6,213,967	\$2,675,762
2015-16	\$2,675,762	\$12,024,800	\$3,903,800	-\$8,093,800	\$10,510,562	\$5,310,485	\$5,200,077
2016-17	\$5,200,077	\$13,780,000	\$3,268,000	-\$17,269,000	\$4,979,077	\$3,390,821	\$1,588,256

The campus goal is to retain a reserve of **\$4M** in base funding. SDSU is currently well below that reserve level at just over \$1.5M.

The portion of faculty salary increases not funded by the Chancellor's office is included in the mandatory costs above (Column C). **Table 6** below provides additional examples including unfunded costs associated with background checks for all new employees and new positions required to enable the campus to comply with regulatory requirements such as Clery Act and industrial and chemical hygiene. Details about the expenditures in each division can be found on the BFA website under President's Budget Advisory Committee

<http://bfa.sdsu.edu/financial/budget/budfin/docs/PBAC%20Minutes%20-%20Recommendation%202-16-2017.pdf>

Table 6 Base Funding Allocations by Division and Institutional (PBAC Process)

Fiscal Year	Academic Affairs	Business & Financial Affairs	Student Affairs	URAD	Athletics	President KPBS	Institutional	TOTAL ALLOCATED
14-15	3,772,326	453,013	289,588	399,040	0	0	1,300,000	6,213,967
	60.7%	7.3%	4.7%	6.4%	0.0%	0.0%	20.9%	

15-16	3,779,529	832,500	291,056	200,000	0	0	207,400	5,310,485
	71.2%	15.7%	5.5%	3.8%	0.0%	0.0%	3.9%	
16-17	2,298,017	674,158	203,646	100,000	0	10,000	105,000	3,390,821
	67.8%	19.9%	6.0%	2.9%	0.0%	0.3%	3.1%	

Note that all funds allocated as base become permanent in future budgets.

One-Time Funds

One-time funds are sometimes referred to as “carry-forward” funds. These are amounts that are available to spend on a one-time basis due to their temporary nature. As an example, a staff position that goes unfilled for a period of three months creates a balance of one-time funds equal to those three months of salary savings. If the new person in the position is brought in at a lower salary, the ongoing savings between the two salaries is base funding since it is permanent.

One-time requests follow the same process as base requests. Table 7 reflects one-time allocations between 2014-17.

Table 7, One-time Funds

Fiscal Year	BEGINNING BALANCE	Tuition revenue adjustmnt	Encumb. funds	Base comp withheld by CO	Student success, graduation initiatives	Student success (\$35M CSU)	Unallocated base available	AVAILABLE ONE-TIME	Total Allocated through PBAC	Ending Balance
14-15	10,844,769	21,566,615	2,300,000	n/a	0	0	2,675,762	37,387,146	28,321,678	9,065,468
15-16	9,065,498	26,578,688	1,500,000	n/a	0	0	5,200,077	42,344,263	32,358,064	9,986,199
16-17	9,986,199	26,967,100	1,500,000	2,424,000	254,000	1,650,000	1,588,256	44,369,555	31,049,916	13,319,639

Table 8 shows the allocation of one-time funding between 2014-17.

Table 8 One-time fund allocations by division and institutional

Fiscal Year	Beginning Balance	Academic Affairs	Business & Financial Affairs	Student Affairs	URAD	Athletic	Pres., KPBS	Institutional	TOTAL	Ending Balance
14-15	37,387,176	11,106,868	2,880,000	212,810	595,000	0	0	13,527,000	28,321,678	9,065,498
		39.2%	10.2%	0.8%	2.1%	0.0%	0.0%	47.8%		
15-16	42,344,263	10,822,532	429,532	451,000	450,000	0	0-	20,205,000	32,358,064	9,986,199
		33.4%	1.3%	1.4%	1.4%	0.0%	0.0%	62.4%		
16-17	44,358,555	19,082,279	108,000	1,530,749	300,000	0-	0	10,028,888	31,049,916	13,308,639
		61.5%	0.3%	4.9%	1.0%	0.0%	0.0%	32.3%		

The campus goal is to retain \$8M in one-time reserve funds. With an ending balance of \$13,319,639 and subtracting the \$8M reserves, there are approximately \$5.3M remaining one-time funds in 2016-17.

FINDINGS

Based on the information we have examined since January, it is clear that the university budget methodology and decision-making processes necessarily involves multiple levels. The campus budget is comprised of complex revenue sources ranging from designated funds with restricted use, state general fund appropriation, research funds, tuition and fees, philanthropic support, to auxiliary organizations. There is transparency at a macro level through the Business and Financial Affairs website, which hosts the SDSU Budget Book and related information about the comprehensive budget, including the funding of new base line items and one-time fund allocations.

However, the process of decision-making across the multiple levels, the various parties involved in setting priorities, their timelines, the criteria and guidelines used to inform

decisions, and the subsequent impact of such decisions is not as transparent. The AR&P committee invited VP Tom McCarron to its first meeting in the fall to provide an overview of the SDSU budget and processes for making funding requests and he has willingly joined in efforts to clarify and explain since then, whether at Senate or subsequent AR&P meetings. Although critical needs and the campus strategic plan are the basis by which funding requests are evaluated, even AR&P members likely would not consistently be able to clearly outline to campus community members how the SDSU divisions develop, prioritize and ultimately arrive at the budgetary requests that are presented to AR&P and PBAC. Furthermore, in many instances, there is no practice or requirement for providing supporting data after the allocation to determine efficacy or programmatic impact that could be useful to future deliberations.

As a result of our conversations and examination of the processes as we understand them, the AR&P Committee makes the following preliminary recommendations to be discussed further with Senate leadership throughout the summer to develop formal action items for the August SEC meeting.

SHORT TERM

Recommendation 1 – Provide the SENATE an opportunity to obtain information.

Update: a number of these have happened since February 2017

- 1) That a subcommittee from AR&P solicit questions from the Senate regarding budget processes;
- 2) That these questions be identified according to thematic areas and provided to Tom McCarron, VP for Business and Financial Affairs who will discuss the budget allocation process at the campus level, and Provost Chukuka Enwemeka and/or Radmila Prislin, AVP for Academic Affairs, who will discuss the budget allocation process in Academic Affairs at an upcoming Senate meeting, as early as possible;
2b) each will make available the results of 2016-17 decision process, allowing for additional Q &A
- 3) That the President also presents responses to these or similar questions in a subsequent Senate meeting.

Recommendation 2 – Communicate vision and context to the SENATE for the university budget.

The committee membership encourages the President to provide a “state of the university” or similar message to the Senate on an annual basis. The President’s vision and priorities are of considerable interest to the campus community and the Senate is an important group to which the vision and priorities desired at the highest level of administration may be presented to the

campus community of faculty, staff and students. In particular, how funding priorities are identified and pursued at the highest leadership level is of considerable interest to the Senate.

Recommendation 3 – Engage the SENATE in near-term budget planning at the start of the annual budget process.

AR&P recognizes a need for an initial meeting of those directly involved in the budget process. With the goal of establishing an understanding of shared values and strategic thinking, the committee recommends a strategic budget-planning meeting at the start of each budget year. The meeting will be convened by PBAC and the Academic Resources and Planning Committee and include BRAT and divisional representatives normally involved in the PBAC process. The purpose will be to identify and share information about the key values and mutually understood considerations that will be used to inform budget allocation priorities for the year.

Recommendation 4 – That the chair of AR&P participate as a member of the Budget Resource Advisory Assessment Team (BRAT). AR&P makes this recommendation as an approach to enable greater transparency in the process and to link AR&P more directly to the priorities that are presented to PBAC.

Recommendation 5 – That AR&P and PBAC receive a brief annual report from each divisional recipient related to the impact of new base or one-time line item allocations that exceed \$50,000. Other impact reports may also be requested by AR&P during the annual process for allocations if less than this amount. Further, that these reports be shared with SEC and SDSU Senate, as SEC deems appropriate. The committee believes that such reporting will help close a gap in the information loop. While funding requests do in many cases provide a rationale, follow-up impact reports will enable greater accountability and clarity.

Recommendation 6 – That each division clearly outline its process and timeline for identifying budget requests and how it prioritizes requests between its constituent parts. (For example, within Academic Affairs outlining such determinations among the Colleges, Enrollment Services, MCC-Georgia, IVC, Library, Graduate and Research Affairs, Faculty Advancement, International Programs, and Undergraduate Studies.)

Recommendation 7 – That the SDSU budget decision-making process be outlined clearly on the SDSU Senate website or on a designated SDSU Comprehensive Budget website easily located by any member of the campus community.

LONGER TERM

Recommendation – That SDSU engage in a strategic funding planning process at the earliest possible time. As stated earlier, the committee finds that the institution could benefit from a comprehensive strategic planning process for funding, not unlike the recent university strategic planning process “Building on Excellence”. This process, likely a multi-year effort, will enable the campus and its leadership to identify key priorities and foster further transparency about how funding decisions are handled. Furthermore, it will build a structure for mutually understood values informing processes especially as the campus and CSU system continue to grapple with the new reality of lower state support.

CONCLUSION

As our charge was to examine the methodology for budgeting allocations to and from Academic Affairs, the committee strongly encourages college deans, associate vice presidents, and the provost to share budget information in an open fashion with their respective constituents including allocations, priorities for requesting base and one-time funding, and the rationale underlying budget practices.