Welcome to the Spring 2018 Budget Forum!

Hosted by the President’s Budget Advisory Committee
Campus Budget

Spring 2018 Budget Forum
Sonoma State University
March 13, 2018
Budget Basics
Laura Lupei, Senior Director for University Budget and Planning

- The University Budget and Planning Office supports the campus through effective budget processes to support academic excellence and student success.

- We support the University by facilitating the efficient use of resources through effective planning, and manage and track financial resources so that they are appropriately allocated.
University Operating Budget Composition

State Allocation + Student Fees \rightarrow SSU Operating Budget
2017-2018 University Operating Budget

SSU Operating Fund Composition

- Student Fees: 43%
- State Allocation: 57%

10% of the total SSU budget is allocated to Financial Aid.

81% of the total SSU budget is allocated to Compensation (salary & staff benefits).
2016-2017 Budget Review
University Operating Budget by Division
2015-16 and 2016-17

2015-16 University Budget by Division
- Academic Affairs: 60%
- Administration and Finance (includes Green Music Center): 28%
- President’s Office: 1%
- Student Affairs: 2%
- University Development: 1%
- University Affairs: 1%
- University Advancement: 1%
- University Wide: 7%

2016-17 University Budget by Division
- Academic Affairs: 64%
- Administration and Finance: 17%
- President’s Office: 7%
- Green Music Center: 3%
- Student Affairs: 2%
- University Advancement: 2%
- University Wide: 6%
- University Affairs: 1%

Benefits are distributed to Divisions
State University Grants are not included
University Operating Budget
Year End Balances by Division, 2016-17

[Bar chart showing year end balances by division]
2017-2018 Operating Budget

The Final Budget Memo of July 2017 outlined over $4.8M of new state allocation funding to the campus, in addition to the anticipated increase in student fees. The increase in campus funding is mostly in the areas of mandatory cost increases (employee compensation, benefits and new space) as well as increased financial aid distributions due to the tuition fee increase. Notably, the campus received over $2.1M in Graduation Initiative 2025 funding and $596,000 in enrollment growth funding to serve 56 new full time students (FTES).

Changes in the Operating Fund between 2016-2017 and 2017-2018 are outlined below:

<table>
<thead>
<tr>
<th></th>
<th>2016-2017</th>
<th>2017-2018</th>
<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Allocation</td>
<td>$ 63,135,883</td>
<td>56 % $ 68,002,883</td>
<td>57 % $ 4,867,000</td>
</tr>
<tr>
<td>Tuition and Fees</td>
<td>$ 48,293,928</td>
<td>44 % $ 50,669,084</td>
<td>43 % $ 2,375,156</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$ 111,429,811</td>
<td>$ 118,671,967</td>
<td>$ 7,242,156</td>
</tr>
</tbody>
</table>
2017-2018 Operating Budget

Resource Allocation:

| Designated Funds: Employee Salary Increases and Benefits | $3,987,000 |
| Graduation Initiative 2025 | $2,168,000 |
| Enrollment Growth Funding: Tenure Track Hires - 5 FTEF | $596,000 |
| Increase to Financial Aid State University Grants | $605,000 |
| New Space Funds for Wine Spectator Learning Center | $177,000 |
| Net Loss Due to Increase in Average Unit Load | ($290,844) |

**Total New Funds** $7,242,156

Residential Full Time Equivalent Student (FTES) Chancellor’s Office Target for 2017-2018: 8,244
Graduation Initiative 2025

**Student Affairs**

- Seventeen Student Affairs Professional Positions

  New Positions In: Transfer and Transitions, Advising, Center for Educational Access, Career Services and Disability Support Services

**Total New Funds to Division: $1,340,146**

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**Academic Affairs**

- Two Tenure Track Faculty Positions
  - Six Academic Affairs Professional Positions

  New Positions In: Academic Programs, Writing Center, Center for Community Engagement, and the School of Science and Technology

**Total New Funds to Division: $827,854**
Operating Budget by Division, 2016-17 and 2017-18

2016/17 University Budget by Division

- Academic Affairs: 64% ($65.9 M)
- Administration and Finance: 17% ($16.3 M)
- Green Music Center: 3% ($2.6 M)
- President's Office: 1% ($1.4 M)
- Student Affairs: 7% ($5.8 M)
- University Advancement: 2% ($2.4 M)
- University Wide: 6% ($6.5 M)

Benefits are distributed to Divisions
State University Grants are not included

2017/18 University Budget by Division

- Academic Affairs: 68% ($72.9 M)
- Administration and Finance: 15% ($16.0 M)
- Green Music Center: 2% ($2.5 M)
- President's Office: 1% ($1.2 M)
- Student Affairs: 5% ($5.3 M)
- University Advancement: 3% ($2.9 M)
- University Wide: 6% ($6.5 M)
## 2018-2019 Preliminary Budget Planning

<table>
<thead>
<tr>
<th></th>
<th>Support Budget Request</th>
<th>Governor's Budget</th>
<th>Sonoma State</th>
</tr>
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<tbody>
<tr>
<td>General Fund Revenue - Governor's Funding Plan</td>
<td>$102,000,000</td>
<td>$92,100,000</td>
<td>$2,118,300</td>
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<tr>
<td>Net Tuition and Other Fee Revenue (Enrollment Growth)</td>
<td>$19,900,000</td>
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<tr>
<td>Board of Trustees Additional Request</td>
<td>$161,000,000</td>
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<tr>
<td><strong>Total Revenue</strong></td>
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</table>

|                                | $17,400,000 | - | - |
| **Other Inflationary Cost Increases** |                      |                      |              |
| Graduation Initiative 2025 | $75,000,000 | - | - |
| One Percent Increase in Enrollment Growth | $39,900,000 | - | - |
| Employee Compensation | $122,100,000 | $122,100,000 | $2,808,300 |
| Academic Facilities and Infrastructure | $15,000,000 | - | - |
| Mandatory Costs | $30,900,000 | $30,900,000 | $710,700 |
| **Total Expenditures** | **$282,900,000** | **$153,000,000** | **$3,519,000** |

|                                | $17,400,000 |                      |                      |
| **Cost Avoidance, Efficiencies & Program Reallocations** |              |                      |              |

|                                | - | $ (60,900,000) | $ (1,400,700) |
| **Funding Shortfall** |                      |                      |              |

|                                | $ (259,291) |                      |              |
| **2017-2018 University Structural Deficit** |                      |                      |              |

|                                | $ (1,659,991) |                      |              |
| **Total Potential Shortfall to Address in 2018-2019** |                      |                      |              |

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**Sonoma State University**

Spring 2018 Budget Forum
### 2018-2019 Preliminary Budget Planning

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**Funding Shortfall**

- $17,400,000

**2017-2018 University Structural Deficit**

- $(259,291)

**Total Potential Shortfall to Address in 2018-2019**

- $(1,659,991)
COLLEGE-EDUCATED INDIVIDUALS ARE MUCH LESS LIKELY TO BE UNEMPLOYED.

Unemployment Rate, 2015
- College Graduates: 2.8%
- High School Graduates: 5.4%


Unemployment Rate Among Millennials, 2013
- College Graduates: 3.8%
- High School Graduates: 12.2%

Source: Pew Research Center, "The Rising Cost of Not Going to College," 2014

Job Recovery After the Recent Recession
- 11.6 million jobs
- 80,000 jobs to workers with high school diploma or less

Source: Georgetown Center on Education and the Workforce, "America's Debted Recovery," 2015

Employment Among Senior Citizens, 2010
- College Graduates: 4.3% more likely to be employed than high school graduates


Infographics from NACUBO
JUST AS STUDENTS BENEFIT FROM A COLLEGE EDUCATION, SO DO OUR COMMUNITIES AND OUR SOCIETY.

People with a college education are significantly more likely to volunteer in their community and vote in elections.

Volunteerism

College Graduates: 39%
High School Graduates: 16%

Voting Participation, 2012

2012 Presidential Election Voters

- College Graduates: 77%
- High School Graduates: 38%

Voting Participation, 2014

2014 Reported Voters

- College Graduates: 53.2%
- High School Graduates: 33.9%


Infographics from NACUBO
Budget Timeline

January
• Governor Releases Budget Plan

April
• Chancellor’s Office Releases Initial Budget Memo

May
• Governor Releases May Revise Budget

June
• Governor Approves Budget

July
• Chancellor’s Office Releases Final Budget Memo
### 2017-2018 University Funding Sources Summary

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Total</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>University Operating Fund</td>
<td>$118,672,000</td>
<td>54.4%</td>
</tr>
<tr>
<td>Additional State/Federal Funding</td>
<td>$8,733,000</td>
<td>4.0%</td>
</tr>
<tr>
<td>Campus-Based Fees</td>
<td>$18,538,000</td>
<td>8.5%</td>
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<tr>
<td>Other Fee Based Fund Sources</td>
<td>$38,141,000</td>
<td>17.5%</td>
</tr>
<tr>
<td>Other Funding</td>
<td>$33,965,000</td>
<td>15.6%</td>
</tr>
<tr>
<td>Total Operating Fund Resources</td>
<td>$218,049,000</td>
<td>100.0%</td>
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</table>

#### Pie Chart:
- University Operating Fund: 54.4%
- Other Fee Based Fund Sources: 17.5%
- Campus-Based Fees: 8.5%
- Additional State/Federal Funding: 4.0%
- Other Funding: 15.6%
Budget Resources

University Budget and Planning Office
www.sonoma.edu/budget

Phone: (707) 664-3832
Email: budget@sonoma.edu
Academic Affairs
Budget Planning

Spring 2018 Budget Forum
Sonoma State University
March 13, 2018
Needs Assessment
Collected Feedback

Feedback collection from:
• Students
• Deans
• Department Chairs
• Faculty
• Staff
• Administrators
• Strategic Planning (including world cafes, survey, etc.)
Categories of Major Needs for Academic Affairs

1. Student Success and Systems Improvements
2. Faculty and Staff Success
3. Enrollment Management
4. Condition of Classrooms
5. Diversification of Funds
Provost Commitments
Provost Commitment: Faculty Salaries Phase 1

- Phase 1 Goal
  - Bringing all tenure track faculty to 15th percentile of CSU salaries
  - Minimum floor of $70,000 for incoming Assistant Professors and $76,300 for Associate Professors
Number of Impacted Faculty with Salary Plan

Number of Tenure Track Faculty Whose Salary would Increase with applied 15th Percentile or $70,000 Minimum

- Assistant Professor: 30
- Associate Professor: 19
- Professor: 36
- Grand Total: 85
Percent & Rank of Faculty Impacted with Plan

<table>
<thead>
<tr>
<th>Rank of Faculty</th>
<th>Percent Faculty Increased by 15th</th>
<th>Count After 15th</th>
<th>Total Tenure Track Faculty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistant Professor</td>
<td>47%</td>
<td>30</td>
<td>64</td>
</tr>
<tr>
<td>Associate Professor</td>
<td>43%</td>
<td>19</td>
<td>44</td>
</tr>
<tr>
<td>Professor</td>
<td>28%</td>
<td>36</td>
<td>127</td>
</tr>
<tr>
<td>Grand Total</td>
<td>36%</td>
<td>85</td>
<td>235</td>
</tr>
</tbody>
</table>
Salary Distribution Before and After Implementation

Salary Distributions after implementation of 15th Percentile or $70,000 Minimum

- **Distribution Before 15th**
- **Distribution After 15th**

<table>
<thead>
<tr>
<th>Income Distribution</th>
<th>Percent Before 15th</th>
<th>Percent After 15th</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) &lt;$70k</td>
<td>10%</td>
<td>0%</td>
</tr>
<tr>
<td>b) $70k-$79k</td>
<td>33%</td>
<td>23%</td>
</tr>
<tr>
<td>c) $80k-$89k</td>
<td>15%</td>
<td>9%</td>
</tr>
<tr>
<td>d) $90k-$99k</td>
<td>23%</td>
<td>29%</td>
</tr>
<tr>
<td>e) $100k-$109k</td>
<td>18%</td>
<td>19%</td>
</tr>
<tr>
<td>f) &gt;$110k</td>
<td>11%</td>
<td>11%</td>
</tr>
</tbody>
</table>
Classroom Assessment

• Space inventory underway

• Need for classroom standards
  • Cleanliness
  • Technology
  • Furniture

• Classroom utilization study underway
Provost Commitment: Investing in Classroom Spaces

- Earmark ~$1,000,000 for improving classroom conditions
- Create classroom space standards
- Classroom cleanliness, comfort, and pedagogy delivery a priority for campus
Provost Commitment: Investing in Student Success

- Hiring and Training Academic Advisors
- Student Success Collaborative (EAB) for advising, early warning, & communication
- Electronic Online Catalog and Curriculum Approval System
- Learning Management System Review
- Electronic Transcripts
- Online Forms (e.g., change of major, grade change, withdrawal, etc.)
Enrollment Management Critical to Campus

- Admissions, Outreach, and Records moved to Academic Affairs December 2017
- Emergency measures deployed to mitigate threatened severe decline in total applications
- Campus commitment to recruiting and retaining students critically important for our overall fiscal health
Provost Commitment: Enrollment Management

- Admissions notifications sent one month ahead of schedule
- Financial Aid Awards sent ahead of schedule
- Beginning to automate admissions process through Auto-Admit and OnBase workflows
- Yield plan being implemented to ensure SSU reaches its goal of 1,900 freshmen and 825 transfer students
- Outreach strategies being developed with College Board data
Provost Commitment: Diversification of Funds

Expenditures in Academic Affairs
$89 Million in 2016

- CSU Operation Fund (state fund and tuition): 73%
- Extended Education: 11%
- Grants and Contracts: 5%
- Lottery Education: 1%
- Instructionally Related Activities: 2%
- Miscellaneous Fees: 4%
- Capital Projects: 1%
- Cost Recovery: 3%
Towards a Multi-Year Strategic Budgeting Model
Planning With Data

Dashboards
- Classroom Utilization
- Full-Time Equivalent Students
- Staffing Trends
- Research Awards
- Expenditures
Multi-Year Budget Model

• All sources of funds including state, tuition, lottery, foundation, indirect cost (grants)

• Track multi-year commitments by strategic priorities
Introduction to Strategic Budgeting

Spring 2018 Budget Forum
Sonoma State University
March 13, 2018
About My Division

**Administration and Finance**

- Division of A&F supports faculty, staff, and students
- Units Within Administration & Finance
  - Budget and Planning
  - Entrepreneurial Services
  - Facilities and Construction Services
  - Financial Services
  - Human Resources
  - Intercollegiate Athletics
  - Risk Management and Safety Services
  - Title IX Administration
  - University Business Services
  - University Police
SSU Strategic Plan to 2025

Core Values

- Excellence
- Integrity
- Respect
- Responsibility

Diversity & Social Justice
Sustainability
Community Engagement
Innovation

Seawolf Commitment

Expected to be completed by the end of the academic year
Linking Planning and Budgeting

• In the absence of a plan—
  the budget is the plan

• If a plan exists and it is not closely linked to the budget—
  the budget is still the plan

• Therefore, if a plan is to be implemented,
  there must be a strong linkage between the plan and the budget
Linking Planning and Budgeting is so difficult because:

Planning is typically conducted at the strategic level
Budgeting is typically focused at the operational level

**THEREFORE**

We need to develop an approach to strategic budgeting
Linking Planning and Budgeting

Strategic decisions focus on creation and maintenance of institutional assets

Operational decisions focus on using our assets to accomplish specified purposes
Why Strategic Budgeting?

- To align our budget with our strategic priorities
- To improve student learning and success
- To strategically invest in our institutional assets
- To ensure we are using resources efficiently and effectively
- To implement evidence-based budgeting linked to assessment, as required by WASC
Strategic Budgeting

A strategic budget is not just a budget; it is the strategic plan in action.
Strategic Budgeting

• Funding our priorities
• Invest in our institutional assets
• Planning, Assessment, Review
• Continuous process
## Assessment, Planning and Implementation

<table>
<thead>
<tr>
<th>ASSESS</th>
<th>PLAN</th>
<th>BUDGET</th>
<th>IMPLEMENT</th>
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<tbody>
<tr>
<td>Assessment</td>
<td>Priorities from SP</td>
<td>Personnel</td>
<td>Assessment</td>
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<td></td>
<td>Priorities from DIV SP</td>
<td>Equipment</td>
<td></td>
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<td></td>
<td>Priorities from Unit</td>
<td>Space</td>
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<td>Information Technology</td>
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New Budget Model
Next Steps

- **Putting the Strategic Plan in Action**
  - Division Goal Setting
  - Unit Goal Setting
  - Multi-Year Budget Planning
  - All Funds Budgeting
Guiding Principles and Assumptions

Below the surface challenges

- Transformation vs Addition
- Data informs Decisions - Transparency vs Advocacy
- Assessment & Planning are engrained in campus culture - part of everyday work
- Communicate Simply
- Priorities are focused by the Strategic Plan
- Progress toward the SP must be measured
SETTING GOALS IS THE FIRST STEP IN TURNING THE INVISIBLE INTO THE VISIBLE.

Tony Robbins, US author
Thank you for attending!

Please join us for the roundtable discussions!