2017-18 Operating Budget Update

University Planning & Budget Group

May 25, 2017
Deliver a balanced budget for FY’s 2017/18 and 2018/19:

a. Factor in a modest reserve to account for new compensation commitments system may be unable to cover.

b. Include reasonable estimates for Average Unit Load (AUL) increases associated with student success measures.

c. Plan for potential decreases in non-resident enrollment.
1. CSUN gross support budget $433M (at target)

2. $5.9M in new permanent Grad Initiative 2025 funding allocated as a result of the fee increase.

3. $560K one-time allocation for academic prep, data driven decision making, and course redesign.
Governor’s May Revise

- $4M cut to CSU to offset increased Cal Grant costs due to tuition fee increase
- Downward adjustments in future State support if Trustees increase tuition
- 3% annual budget growth beginning 2018/19
- Concerns with potential Federal budget actions (Affordable Care Act, etc.)
### Overall Breakdown
- **State Appropriation**: 45%
- **Tuition Fee Revenue**: 51%
- **Other Student Fees**: 4%

### Sources

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Appropriation</td>
<td>$194,990,096</td>
<td>45%</td>
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<tr>
<td>Tuition Fee</td>
<td>$194,890,103</td>
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<tr>
<td>Non-Resident Fees</td>
<td>$22,645,239</td>
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<tr>
<td>Doctoral &amp; Business Grad Fees</td>
<td>$3,478,064</td>
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<tr>
<td>Tuition Fee Revenue</td>
<td>$221,013,406</td>
<td>51%</td>
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<tr>
<td>Application Fee</td>
<td>$1,500,000</td>
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<td>Campus Quality Fee</td>
<td>$9,127,920</td>
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<td>Health Services Fee</td>
<td>$4,824,000</td>
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<td>Augmented Health Fees</td>
<td>$1,193,000</td>
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<tr>
<td>Miscellaneous Student Fees</td>
<td>$670,000</td>
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<tr>
<td>Other Student Fee Revenue</td>
<td>$17,314,920</td>
<td>4%</td>
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<tr>
<td>Grand Total</td>
<td>$433,318,422</td>
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Operating Budget- Structural Considerations

Annual Budget Position

- 2016/17 planned operating budget deficit: ($1.7M)
- 2016/17 actual operating budget deficit: ($3.3M)

Central Reserves

- Central reserve balance (projected): $21M (4.7%)
- Capital outlay project reserve: $6.6M
1. Invest $5.9M in new GI 2025 base funds primarily toward:
   a. Tenure track faculty hiring
   b. Additional course sections
2. Continue practice of holding position funding centrally until positions are filled.
Budget Planning Considerations:
2018/19 and Beyond

- Increasing mandatory costs (Heath, retirement, etc.)
- Likelihood of target enrollment increases/funding
- Compensation & minimum wage increases
- Limited capital outlay appropriations
- Federal budget actions (Affordable Care Act, etc.)
Resident FTES Enrollment
2013-14 through 2018-19

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual/Projected Resident FTES</th>
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<tbody>
<tr>
<td>2013/14</td>
<td>27,917</td>
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<tr>
<td>2014/15</td>
<td>29,021</td>
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<tr>
<td>2015/16</td>
<td>29,917</td>
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<td>2016/17</td>
<td>29,038</td>
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<tr>
<td>2017/18</td>
<td>29,262</td>
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<tr>
<td>2018/19</td>
<td>29,262</td>
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</table>

- CO Target FTES ( Resident )
- Actual/Projected Resident FTES
Consistent Over-Enrollment (Residents)

Over-Enrollment: 2013/14 through 2016/17

*2017/18 estimate is 8.2%
Enrollment Considerations

- **AUL**: Increasing average unit load will create course section demands with no offsetting tuition or state appropriation revenue.

- **Headcount**: Resident first-time freshmen (FTF) and first-time transfer (FTT) headcount increases with limited impaction controls.

- **International enrollment trend**: Decline of +/-250 FTES in 2016/17.

- **Auxiliaries/Enterprises Funds**: Enrollment/impaction decisions can have disproportionate effects on self-supporting units.
Upcoming 2017/18 Budget Planning Milestones

- Cabinet Discussion 2: June 26th
- Final State Budget: June 30th
- Cabinet Discussion 3: August 3rd
- UPBG: September