2019/20 Budget Planning
University Planning and Budget Group
Discussion Topics

1. 2019/20 Operating Budget Status
2. Available resources and reserve position
3. Discuss specific priorities & potential fund sources
4. Review key trends, and funding gaps for 2019/20 and beyond
2019/20 CSU BUDGET UPDATE
2019/20 CSU OPERATING FUND BUDGET

2019-20 REQUEST

- Graduation Initiative 2025 $75M
- Compensation Increases $148M
- Five Percent Increase in Enrollment $206M
- Academic Facilities and Infrastructure $80M
- Mandatory Cost Increases $45M

Total Request $554M

2019-20 PROPOSED OPERATING BUDGET

- Tuition and Fees $3.12B
- General Fund $3.65B
- 2019-20 Proposed Increase $554M

Total Proposed $7.32B

2019/20 CSUN TOTAL OPERATING BUDGET

$476M

6.5% of CSU Operating Budget
## 2019/20 CSU General Fund Increase

<table>
<thead>
<tr>
<th></th>
<th>BOT Request</th>
<th>Governor’s Budget</th>
<th>May Revision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation &amp; Mandatory Costs</td>
<td>$193 Million</td>
<td>$193 Million</td>
<td>$193 Million</td>
</tr>
<tr>
<td>Enrollment Growth</td>
<td>$155 Million</td>
<td>$62 Million</td>
<td>$62 Million</td>
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<tr>
<td>Graduation Initiative</td>
<td>$75 Million</td>
<td>$45 Million</td>
<td>$45 Million</td>
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<tr>
<td>Infrastructure</td>
<td>$80 Million</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>Project Rebound</td>
<td>$0</td>
<td>$250,000</td>
<td>$1 Million</td>
</tr>
<tr>
<td>Rapid Rehousing</td>
<td></td>
<td></td>
<td>$6.5 Million</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$503 Million</strong></td>
<td><strong>$300 Million</strong></td>
<td><strong>$307.5 Million</strong></td>
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## 2019/20 CSU ONE-TIME FUNDING

<table>
<thead>
<tr>
<th>Project</th>
<th>BOT Request</th>
<th>Governor’s Budget</th>
<th>May Revision</th>
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<tbody>
<tr>
<td>Deferred Maintenance</td>
<td>$250 Million</td>
<td>$247 Million</td>
<td>$247 Million</td>
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<tr>
<td>Basic Needs Partnerships</td>
<td>$15 Million</td>
<td>$15 Million</td>
<td>$15 Million</td>
</tr>
<tr>
<td>Central Valley Campus Exploration</td>
<td></td>
<td>$2 Million</td>
<td>$2 Million</td>
</tr>
<tr>
<td>First Star Foster Youth (CSU Sac)</td>
<td></td>
<td></td>
<td>$740,000</td>
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<tr>
<td>Total</td>
<td>$265 Million</td>
<td>$264 Million</td>
<td>$264.7 Million</td>
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</table>
GF resources and reserve position

- Enrollment & student fee revenue projections
- Structural budget position
ENROLLMENT TREND and FINANCIAL IMPLICATIONS

FTES and Headcount

Revenues

<table>
<thead>
<tr>
<th>Year</th>
<th>Resident</th>
<th>Non-Resident</th>
<th>Total</th>
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<tbody>
<tr>
<td>2017-18</td>
<td>$207.4M</td>
<td>$20.2M</td>
<td>$227.5M</td>
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<tr>
<td>2018-19</td>
<td>$201.0M</td>
<td>$18.0M</td>
<td>$219.1M</td>
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<tr>
<td>2019-20</td>
<td>$198.7M</td>
<td>$15.5M</td>
<td>$214.2M</td>
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</table>

Annual Difference: $(8.5M) $(4.9M)
2019/20 STATE APPROPRIATION INCREASE

- Compensation: $10,357,000
- Minimum Wage: $539,000
- Health: $517,000
- Retirement Above State Funding: $814,000
- Retirement Adjustment (for 2018/19): $1,645,000
- GI2025: $3,724,000
- GI2025 Enrollment Growth (543 FTES): $3,534,000
- Average Unit Load Increase: $2,063,000

Total: $23,193,000
2019/20 STATE APPROPRIATION INCREASE

- Compensation: $10,357,000
- Minimum Wage: $539,000
- Health: $517,000
- Retirement Above State Funding: $814,000
- System-Funded Retirement Adjustment (for 2018/19): $1,645,000
- GI2025: $3,724,000
- Enrollment Growth (543 FTES): $3,534,000
- Average Unit Load Increase: $2,063,000

Total: $5,597,000
2019/20 OPERATION DEFICIT (PROJECTED)

EXISTING 2018/19 DEFICIT  $  (6,761,811)

CHANGES IN REVENUE

State Funding Increases
- Enrollment Growth Funding  $3,534,000
- Average Unit Load Increase  $2,063,000
  ________________
  $5,597,000

Student Fee Revenue Decreases
- Resident  ($2,318,821)
- Non-Resident  ($2,546,683)
  ________________
  ($4,865,504)

Total changes in revenue  $731,496

NEW EXPENSES

- Increase allocation to AA: convert 543 FTES of over-enrollment from replacement rate to TT rate  ($1,496,335)
- Central University Expenses- Incremental Increases*  ($1,370,998)

Total new expenses  ($2,867,333)

PROJECTED 2019/20 DEFICIT  $  (8,897,648)
PROJECTED YEAR-END CENTRAL RESERVES

2018/19  $10.2M
2019/20  $5.7M  -44%
Central Reserve Goal
(3.5% of base budget)
$16.7M

2019/20 Projected Reserves
$5.6M

Central Reserve Gap
$11.1M
2017-18 CARRY-FORWARD BALANCES

- **Academic Affairs**: $23,816,126 (43%)
- **Admin & Finance**: $4,002,250 (7%)
- **IT**: $1,788,550 (3%)
- **Student Affairs**: $3,059,684 (5%)
- **Advancement**: $234,035 (0%)
- **Central University**: $14,796,307 (26%)
- **Capital Project**: $6,600,000 (12%)
- **President's Office**: $386,274 (1%)
- **Other**: $1,056,650 (2%)
- **Student Affairs - Designated Areas**: $265,481 (1%)
- **Other**: $56 Million

The total carry-forward balances for the 2017-18 fiscal year are $56 Million.
## HISTORICAL CARRY-FORWARD BALANCES BY DIVISION

<table>
<thead>
<tr>
<th>Area</th>
<th>2013-14</th>
<th>% area's budget</th>
<th>2014-15</th>
<th>% area's budget</th>
<th>2015-16</th>
<th>% area's budget</th>
<th>2016-17</th>
<th>% area's budget</th>
<th>2017-18</th>
<th>% area's budget</th>
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<tbody>
<tr>
<td><strong>Academic Affairs</strong></td>
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<tr>
<td>Central</td>
<td>13,239,847</td>
<td>9%</td>
<td>14,844,128</td>
<td>10%</td>
<td>10,062,101</td>
<td>6%</td>
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<tr>
<td>Colleges &amp; Departments</td>
<td>14,770,939</td>
<td>10%</td>
<td>12,193,037</td>
<td>8%</td>
<td>13,754,025</td>
<td>9%</td>
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<tr>
<td><strong>Academic Affairs Total</strong></td>
<td>30,923,474</td>
<td>22%</td>
<td>23,630,500</td>
<td>16%</td>
<td>27,710,786</td>
<td>17%</td>
<td>27,037,166</td>
<td>16%</td>
<td>23,816,126</td>
<td>14%</td>
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<tr>
<td><strong>Administration and Finance</strong></td>
<td>4,484,540</td>
<td>19%</td>
<td>5,646,638</td>
<td>24%</td>
<td>3,685,121</td>
<td>15%</td>
<td>4,497,516</td>
<td>16%</td>
<td>4,002,250</td>
<td>14%</td>
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<tr>
<td><strong>Designated for Construction Projects</strong></td>
<td>1,605,080</td>
<td>6%</td>
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<tr>
<td><strong>Student Affairs</strong></td>
<td>2,974,994</td>
<td>26%</td>
<td>3,629,865</td>
<td>31%</td>
<td>3,423,462</td>
<td>28%</td>
<td>3,115,927</td>
<td>25%</td>
<td>3,059,684</td>
<td>24%</td>
</tr>
<tr>
<td>Student Affairs - Designated areas*</td>
<td>449,481</td>
<td>12%</td>
<td>508,233</td>
<td>12%</td>
<td>697,249</td>
<td>15%</td>
<td>569,809</td>
<td>13%</td>
<td>265,481</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Information Technology</strong></td>
<td>1,347,498</td>
<td>13%</td>
<td>1,238,348</td>
<td>11%</td>
<td>1,731,593</td>
<td>15%</td>
<td>1,562,208</td>
<td>14%</td>
<td>1,788,550</td>
<td>15%</td>
</tr>
<tr>
<td>President's Administrative Unit</td>
<td>51,070</td>
<td>6%</td>
<td>80,575</td>
<td>8%</td>
<td>141,477</td>
<td>13%</td>
<td>223,757</td>
<td>20%</td>
<td>386,257</td>
<td>38%</td>
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<tr>
<td>University Advancement</td>
<td>805,034</td>
<td>18%</td>
<td>388,271</td>
<td>7%</td>
<td>568,906</td>
<td>11%</td>
<td>2,597</td>
<td>0.05%</td>
<td>234,035</td>
<td>4%</td>
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<tr>
<td><strong>Total</strong></td>
<td>$41,036,091</td>
<td>$35,122,430</td>
<td>$39,563,674</td>
<td>$37,008,979</td>
<td>$33,552,400</td>
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* Designated areas within Student Affairs with revenue-based budgets (Student Health Center & Augmented Health Services)
Guiding Principles for 2019/20 Budget Planning

- Specific UPBG Recommendations
- Overarching Planning Goals
UPBG 2019/20 Budget Planning Recommendations
(Reference December 2018 UPBG memo)

1. Reduce reliance on non-resident enrollment
2. Preserve adequate campus operating reserves
3. Ensure efficient use of scarce resources
4. Support stated campus priorities
5. Support capital facility/deferred maintenance investments
Proposed Overarching Planning Goals for 2019/20

1. Reduce remaining operating budget deficit by half;
2. Resume specific funding of stated campus priorities, both through operating funds and other non-state sources;
3. Invest in the campus physical plant for the benefit of current and future students, faculty and staff;
4. Advance initiatives to increase non-state revenue.
Specific priorities & potential funding

- Divisional priority input
- Sources for recurring & one-time investments
## GI2025 Planned Hiring

<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>Staff Hiring</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 900,000</td>
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<tr>
<td></td>
<td>$ 900,000</td>
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<tr>
<td><strong>Faculty Hiring</strong></td>
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<tr>
<td></td>
<td>44 FTEF</td>
<td>34 FTEF</td>
<td>5 FTEF</td>
<td>83 FTEF</td>
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<tr>
<td></td>
<td>880 FTES</td>
<td>680 FTES</td>
<td>100 FTES</td>
<td>1660 FTES</td>
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</tr>
</tbody>
</table>

**NOTE:** With 110 FTEF funded over three years (83 through GI2025 & 27 through 2019/20 new enrollment funds) we will fund all 2,203 FTES of over-enrollment at the Tenure Track rate by 2019/20.

| Total     | $ 900,000 | $ -      | $ 5,919,000 | $ 4,662,000 | $ 714,399 | $ 12,195,399 |
Initial Cabinet Discussions on Priority Needs

Student Success (GI2025):
• TT Hiring
• Retention
• Advising
• Data/Technology
• Interpreters/transcription

IT Infrastructure & Resources:
• Cloud migration
• Accessible Technology
• Software systems

Student Support:
• Mental health/behavioral assistance
• Career advising
Initial Cabinet Discussions on Priority Needs

Campus Safety & Security:
- Campus physical security enhancements
- Laboratory safety
- Title IX compliance

Financial Resource Enhancement:
- Capital campaign
- Corporate partnership program

Physical Plant & Infrastructure:
- Sustainability/PV
- Bookstore conference center
- HHW & electrical infrastructure
- Campus-wide deferred maintenance
- Sierra annex classroom building
4 Select Auxiliary and enterprise trends: 2019/20 and beyond

- TUC/North Campus returns
- Athletics scholarship funding
2019/20 Campus Budget Planning Timeline

- Governor’s Initial Budget: January 10, 2019
- CSU Preliminary Coded Budget Memo: March 15, 2019
- Governor’s May Budget Revision: May 15, 2019
- Final State Budget Issued: June 28, 2019
- CSU Final Coded Budget Memo: July 16, 2019
- Initial 2019/20 Campus Operating Budget Issued: August 21, 2019
- Fall Enrollment as of Census: September 23, 2019
- Revised 2019/20 Operating Budget Issued: November 8, 2019
DISCUSSION

- Multi-year budget stability
- Reserve/carry-forward balances & treatment
- Campus priorities
- Other
Campus Planning Priorities

1. Advancing Student Success
2. Focusing on Employees for Success
3. Fostering Diversity and Inclusive Excellence
4. Increasing the Visibility and Reputation of the University
5. Planning for a Future Less Dependent on State Funding
6. Expanding Research Activity and Sponsored Programs
7. Supporting Sustainability
8. Using Athletics as a Tool for Engagement