

The background features a rolled-up document with a wooden handle, resting on a document with a line graph on a grid. The graph shows a fluctuating line with data points, and the x-axis is labeled with years including '93 and '98. The overall tone is professional and academic.

# University Planning and Budget Group

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FEBRUARY 9, 2024



# Agenda

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- INTRODUCTORY COMMENTS
- ENROLLMENT
  - 2023/24 PROJECTION
  - 2024/25 CO RESIDENT FTES TARGETS
- 2024/25 BUDGET PLANNING
  - GOVERNOR'S JANUARY BUDGET PLAN
  - CAMPUS IMPLICATIONS
- DESIGNATED BALANCES AND RESERVES
- DISCUSSION
- BRIEF UPDATES/COMMENTS



Enrollment



# 2023/24 Enrollment Projection

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- 28,818 FTES – CO resident target
- 28,859 FTES – projected **resident** enrollment (week 1)
- 0.1% above CO target
  
- Total annualized FTES: 30,362 (including non-resident)



+150 FTES: CSU internal  
reallocation plan



+300 FTES: Governor's Compact



**Total: 450 FTES (1.6%  
increase)**

# CSUN 2024/25 Enrollment Growth Target

*2024/25 CO resident target is 29,268 FTES*

# Enrollment Implications on CSUN 2024/25 Operating Budget

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Scenario 1:

Enrollment Meets CO  
Target (+450 FTES)

**\$7.8M Structural Deficit**

Scenario 2:

Enrollment Remains  
Flat at 2023/24 Level

**\$12.1M Structural Deficit**



# 2024/25 BUDGET PLANNING

125,058  
5,487

154,568  
56,845  
110,000

95,054  
97,511  
99,011  
99,216  
101,090

124,500  
125,000  
154,000  
95,000  
154,200  
110,000  
99,000

# Governor's Budget Proposal for CSU

- No new ongoing or one-time funding in 2024/25
- Compact funding deferred to 2025/26:

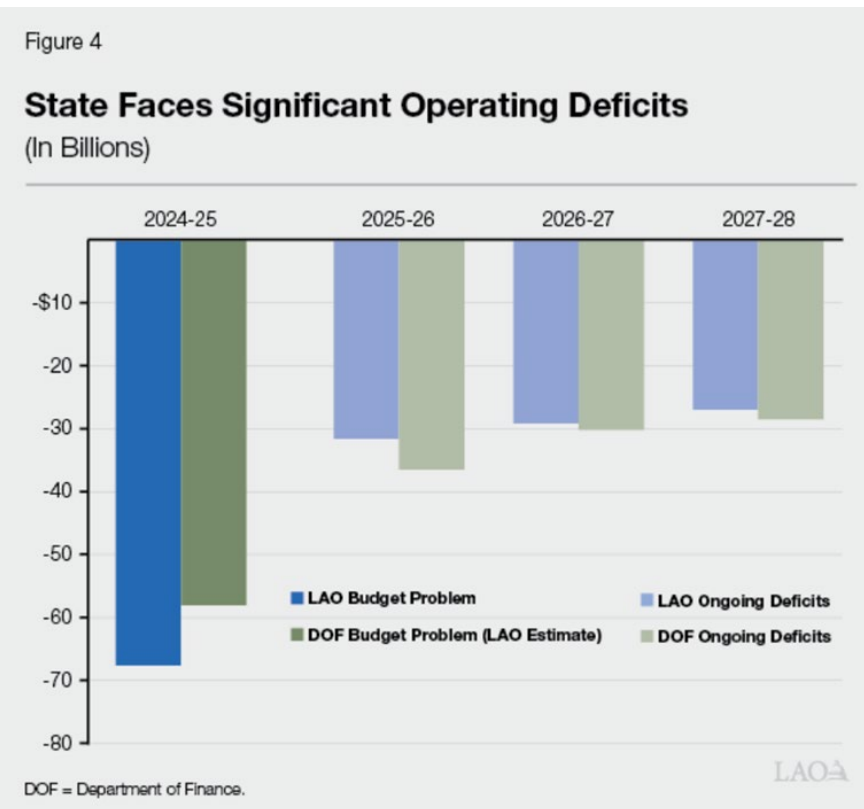
2024/25	CSU spends \$240M one-time to meet compact commitments
2025/26	State reimburses \$240M one-time
	State appropriates \$240M ongoing (year 3 of compact)
	State appropriates ~\$252M ongoing (year 4 of compact)



# California Faces Multi-Year Deficits

## Annual Deficits per CA DOF Estimates:

2024/25:	\$38B
2025/26:	\$37B
2026/27:	\$30B
2027/28:	<u>\$28B</u>
<b>4-Year Total</b>	<b>\$133B</b>



Source: LAO overview of Gov's Budget, Jan. 13, 2024



# CSU Systemwide Planning Implications

<b>SOURCES OF FUNDS (Incremental New Revenue)</b>	<b>TUITION &amp; WITHIN COMPACT</b>	<b>ABOVE COMPACT</b>	<b>BUDGET PLAN</b>
State General Fund	\$240,243,000	\$144,546,000	<b>\$384,789,000</b>
Tuition from Rate Increase	148,330,000		<b>148,330,000</b>
Tuition from Strategic Resident Enrollment Growth	24,278,000		<b>24,278,000</b>
<b>TOTAL NEW SOURCES</b>	<b>\$412,851,000</b>	<b>\$144,546,000</b>	<b>\$557,397,000</b>

# 2024-25 Operating Budget Plan

<b>USES OF FUNDS</b> <i>(Incremental New Expenditures)</i>	<b>TUITION &amp; WITHIN COMPACT</b>	<b>ABOVE COMPACT</b>	<b>BUDGET PLAN</b>
<b>Student Access and Success</b>			
Financial Aid			
<i>State University Grant – Tuition Rate Increase</i>	\$49,443,000		\$49,443,000
<i>State University Grant – Enrollment Increase</i>	8,093,000		8,093,000
Student Access and Enrollment (1%)	54,957,000		54,957,000
Graduation Initiative		\$30,000,000	30,000,000
Student Basic Needs and Mental Health	3,000,000	4,000,000	7,000,000
<b>Institutional Support</b>			
Title IX and DHR Programs	7,900,000	8,000,000	15,900,000
State and Federal NAGPRA Compliance	2,250,000	2,000,000	4,250,000
Maintenance of New Facilities	12,548,000		12,548,000
Liability and Property Insurance Premium Increases	22,635,000		22,635,000
Inflation on Non-Personnel Costs		28,506,000	28,506,000
Debt Service on Academic Facilities & Infrastructure	10,000,000	15,000,000	25,000,000
<b>CSU Workforce Investments</b>			
Faculty and Staff Compensation Pool	163,664,000	57,040,000	220,704,000
Health Premium Increase	78,361,000		78,361,000
<b>TOTAL NEW USES</b>	<b>\$412,851,000</b>	<b>\$144,546,000</b>	<b>\$557,397,000</b>

# CO Estimate of Unfunded Compensation Commitments

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	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>	<u>Total</u>
<b>Systemwide Cost of 5% increase</b>	\$ 261	\$ 277	\$ 291	\$ 829
<b><u>Less Fund Sources:</u></b>				
State Appropriation (Gov's Compact)	\$ 123	\$ 68	\$ 112	\$ 303
Tuition Rate Increase	\$ -	\$ 99	\$ 105	\$ 204
<b>Unfunded Costs (to be Covered by Campuses)</b>	\$ 138	\$ 110	\$ 74	\$ 322
<b>Estimated CSUN Share</b>	<b>\$ 9.2</b>	<b>\$ 7.3</b>	<b>\$ 4.9</b>	<b>\$ 21.4</b>

Universities are implementing several cost reduction strategies:

- Consolidate programs
- Defer capital/maintenance projects
- Reduce hiring and elimination of positions
- Increase class size
- Reduce courses to reflect student demand
- Reduce part-time faculty/lecturers
- Reduce service levels provided by staff
- Reduce travel
- Restructure departments
- Restrict non-essential purchases

*Source: CSU BOT  
Finance Committee  
Presentation  
Jan. 31, 2024*



# CSUN Budget Planning Implications

## Budget Implications of 450 Additional FTES

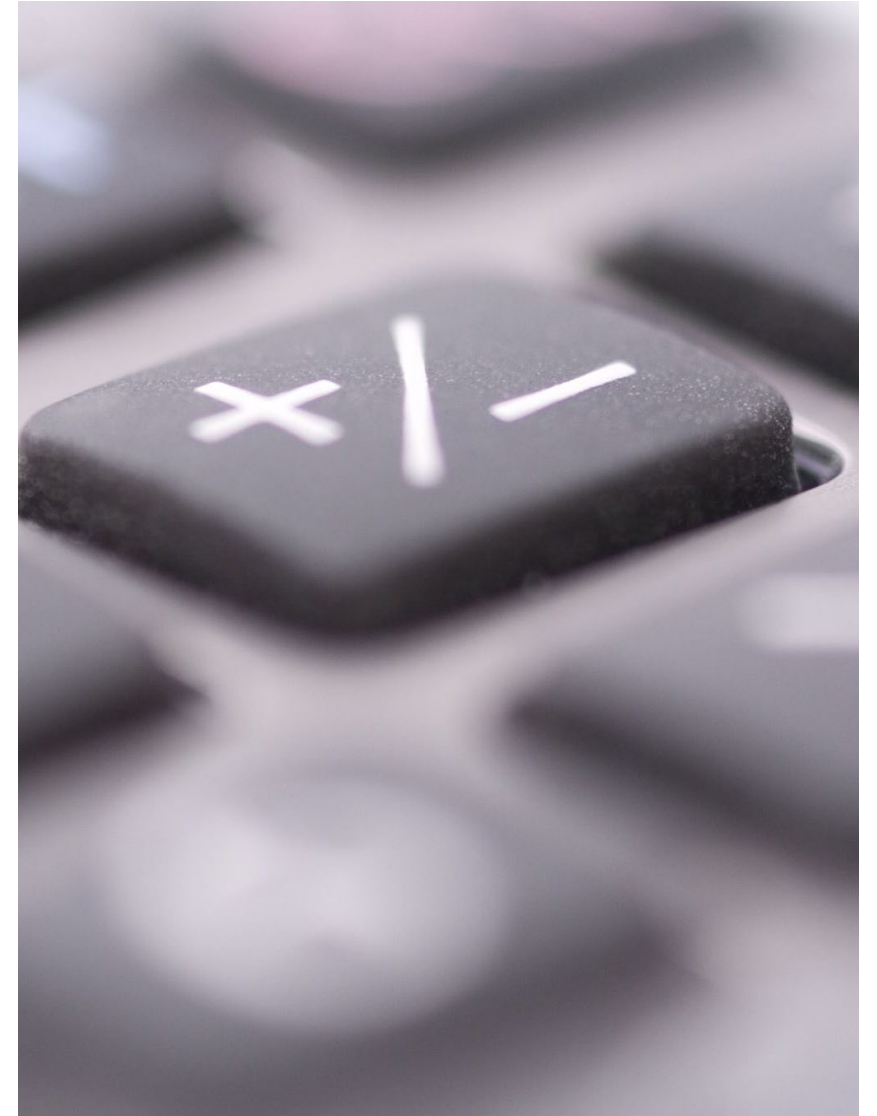
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\$1.2M CSU FTES Reallocation- *CSU Funds*

\$2.4M Enrollment Growth per Compact (1%)- *State Funds*

\$3.1M Tuition Revenue: new enrollment- *Campus Funds*

**\$6.7M incremental revenue increase from  
additional FTES**





# Enrollment Implications on CSUN 2024/25 Operating Budget

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Scenario 1:

Enrollment Meets CO  
Target (+450 FTES)

Scenario 2:

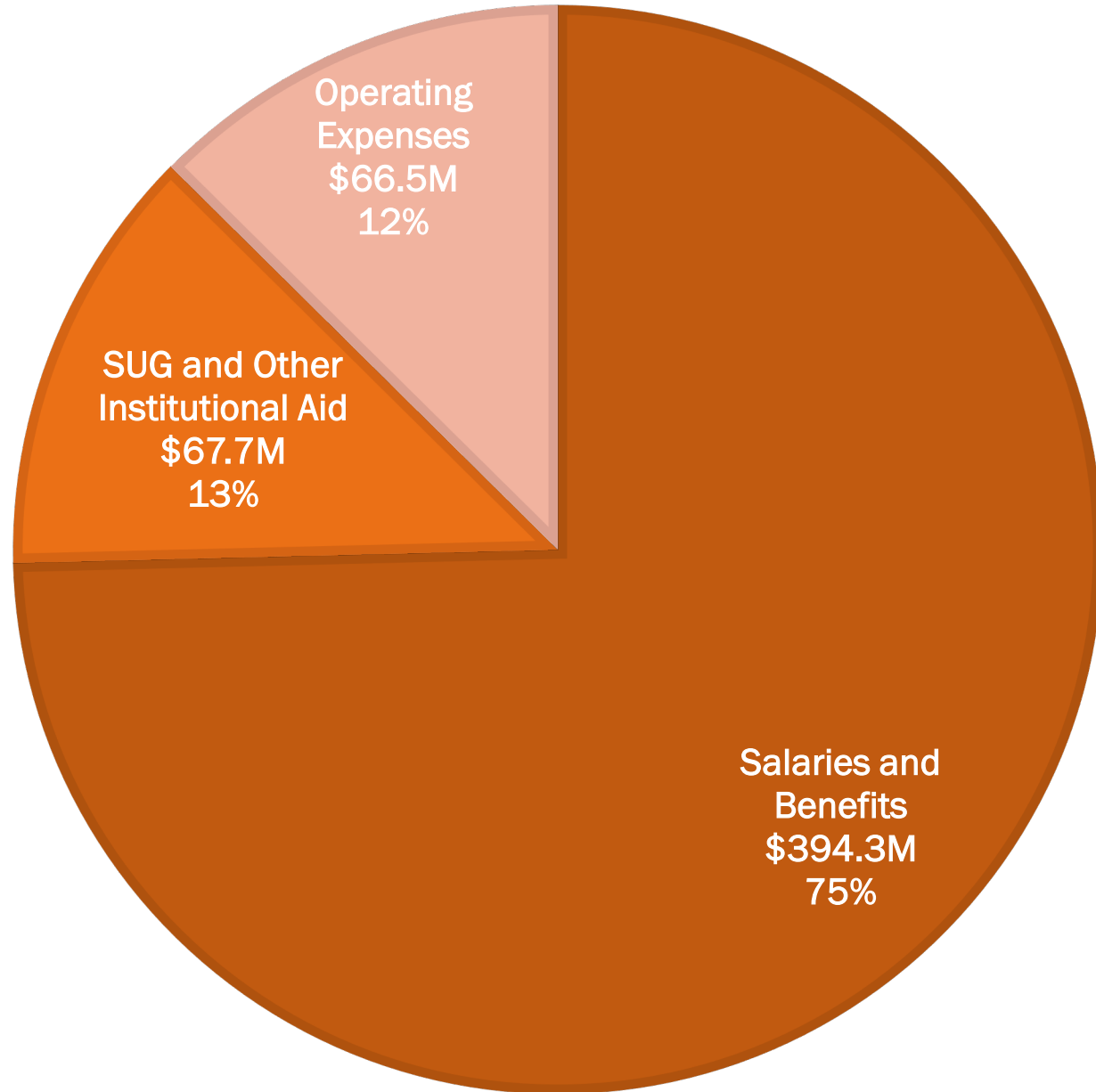
Enrollment Remains  
Flat at 2023/24 Level

# Enrollment Implications on CSUN 2024/25 Operating Budget

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	<b>Scenario 1: 450 FTES Increase</b>	<b>Scenario 2: Flat Enrollment</b>
Existing deficit from 2023/24	\$ (3,000,000)	\$ (3,000,000)
Net additional budget impact in 2024/25	<u>\$ (4,800,000)</u>	<u>\$ (9,100,000)</u>
<b>Projected deficit to be resolved in 2024/25</b>	<b>\$ (7,800,000)</b>	<b>\$ (12,100,000)</b>

# 2022/23 General Operating Fund Expenditures by Major Categories





# Designated Balances and Reserves

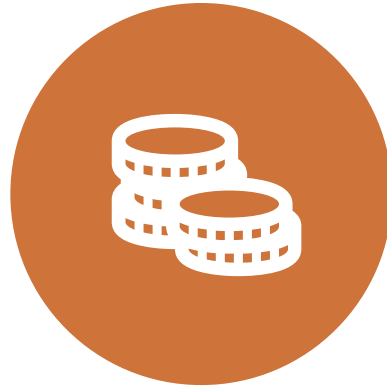
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# \$238M FY2022/23 Campus Operating Fund Balance

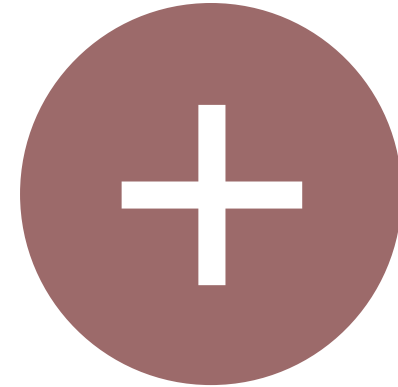
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\$138.7M STATE  
FUNDS



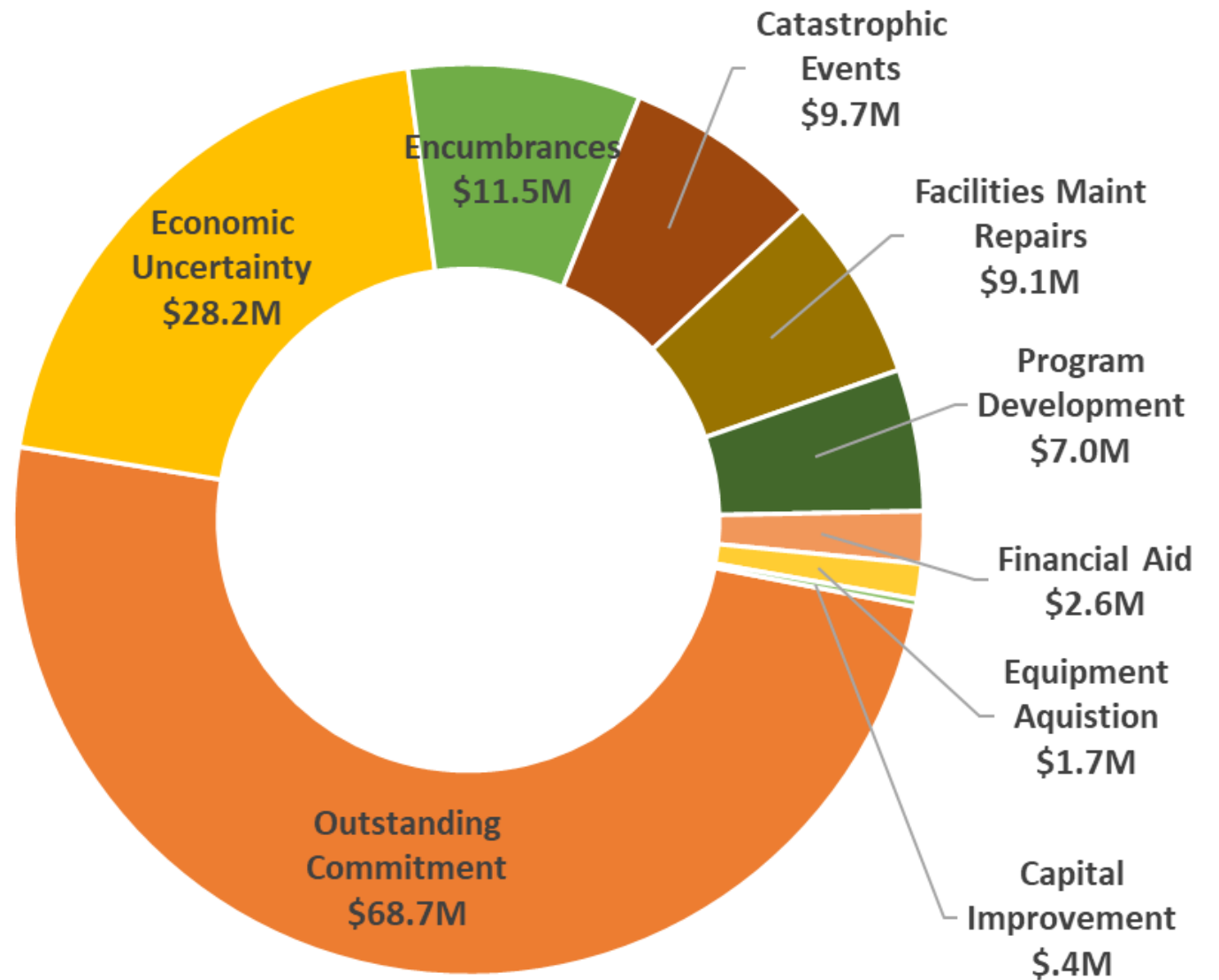
\$79.8M ENTERPRISE  
FUNDS



\$19.2M AUXILIARY  
FUNDS

*\*Note: enterprise & auxiliary funds are restricted via CA Ed. Code*

# \$138.7M CSUN State Funds Reserve Categories



# Reserves for Economic Uncertainty

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Total: \$51.2M

Per CSU policy, campuses should accumulate a **minimum of 3-6 months** of annual operating budget for economic uncertainty.

State Funds  
\$28.2M

1.2 months

Enterprise  
Funds \$23.1M

5 months

# ACADEMIC AFFAIRS 2022/23 YEAR-END DESIGNATED BALANCES AND RESERVES

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	<b>General Funds (including GI 2025, CQF, RSCA)</b>	<b>Trust and Other Funds ( Including IRA, College Trusts)</b>	<b>Lottery Funds</b>	<b>Enterprise Funds (Tseng)</b>	<b>TOTAL</b>
<b>Academic Affairs Administration (including Central Units and Central Reserves)</b>	\$ 28,892,343	\$ 1,418,135	\$ 40,150	\$ 1,028,996	\$ 31,379,624
<b>Academic Support (Library and EOP)</b>	3,040,439		14,500		3,054,939
<b>Colleges (Including Tseng)</b>	19,646,758	441,547	767,018	39,965,823	60,821,146
<b>TOTAL</b>	<b>\$ 51,579,540</b>	<b>\$ 1,859,682</b>	<b>\$ 821,668</b>	<b>\$ 40,994,819</b>	<b>\$ 95,255,709</b>



	Reserve Categories	General Funds	Trust and Other Funds	Lottery Funds	Enterprise Funds (Tseng)	Total
<b>Academic Affairs Admin</b>	Reserve for Encumbrances	\$ 694,400	\$ 180,564	\$ -		\$ 874,964
	Reserve for Outstanding Commitment	\$ 14,724,824	\$ 1,237,571	\$ 8,800		\$ 15,971,195
	Reserve for Program Development	\$ 3,023,004		\$ 1,072		\$ 3,024,076
	Reserve for Capital Improvement -Construction	\$ -				\$ -
	Reserve for Catastrophic Events	\$ -				\$ -
	<b>Reserve for Economic Uncertainty</b>	<b>\$ 5,305,221</b>		<b>\$ 12,457</b>		<b>\$ 5,317,678</b>
	Reserve for Equipment Acquisition	\$ 23,178		\$ 17,821		\$ 41,000
	Reserve for Facilities Maint Repairs	\$ 5,121,716				\$ 5,121,716
	Reserve for Future Debt Service	\$ -				\$ -
	Designated CERF Campus Prtnrs				1,028,996	\$ 1,028,996
<b>Academic Affairs Admin Total</b>		<b>\$ 28,892,343</b>	<b>\$ 1,418,135</b>	<b>\$ 40,150</b>	<b>\$ 1,028,996</b>	<b>\$ 31,379,625</b>
<b>Academic Support</b>	Reserve for Encumbrances	\$ 35,631				\$ 35,631
	Reserve for Outstanding Commitment	\$ 1,795,168		\$ 3,714		\$ 1,798,882
	Reserve for Program Development	\$ 821,775		\$ 453		\$ 822,227
	Reserve for Capital Improvement -Construction	\$ -				\$ -
	<b>Reserve for Economic Uncertainty</b>	<b>\$ 216,570</b>		<b>\$ 2,812</b>		<b>\$ 219,381</b>
	Reserve for Equipment Acquisition	\$ 80,000		\$ 7,522		\$ 87,522
	Reserve for Facilities Maint Repairs	\$ 91,296				\$ 91,296
<b>Academic Support Total</b>		<b>\$ 3,040,439</b>	<b>\$ -</b>	<b>\$ 14,500</b>	<b>\$ -</b>	<b>\$ 3,054,939</b>
<b>Colleges</b>	Reserve for Encumbrances	\$ 1,464,574	\$ 32,550	\$ 469,262	\$ 759,184	\$ 2,725,571
	Reserve for Outstanding Commitment	\$ 11,722,988	\$ 408,997	\$ 76,267	\$ 29,254	\$ 12,237,505
	Reserve for Program Development	\$ 1,988,792		\$ 9,293	\$ 8,661,258	\$ 10,659,343
	<b>Reserve for Economic Uncertainty</b>	<b>\$ 3,258,847</b>		<b>\$ 57,741</b>	<b>\$ 10,000,000</b>	<b>\$ 13,316,588</b>
	Reserve for Equipment Acquisition	\$ 400,000		\$ 154,455		\$ 554,455
	Reserve for Facilities Maint Repairs	\$ 808,621			\$ 1,500,000	\$ 2,308,621
	Designated CERF Campus Prtnrs				\$ 12,016,127	\$ 12,016,127
	Reserve for Capital Improvement -Construction				\$ 1,000,000	\$ 1,000,000
	Reserve for Catastrophic Events				\$ 6,000,000	\$ 6,000,000
<b>Colleges Total</b>		<b>\$ 19,643,822</b>	<b>\$ 441,547</b>	<b>\$ 767,018</b>	<b>\$ 39,965,823</b>	<b>\$ 60,818,210</b>
<b>HIS Equity Hub</b>	Reserve for Encumbrances	\$ 2,936				\$ 2,936
<b>HIS Equity Hub Total</b>		<b>\$ 2,936</b>				<b>\$ 2,936</b>
<b>Grand Total</b>		<b>\$ 51,579,540</b>	<b>\$ 1,859,682</b>	<b>\$ 821,669</b>	<b>\$ 40,994,819</b>	<b>\$ 95,255,710</b>

# GROUP EXERCISE

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For each of the two scenarios,  
what are your recommendations  
in terms of permanent and one-time budget solutions?

Considerations:

- *Volatility of California economy*
- *Risk of future compact commitments not being met*
- *Future enrollment trends*
- *Increasing structural deficits and decreasing reserves*

# Enrollment Implications on CSUN 2024/25 Operating Budget

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Scenario 1:

Enrollment Meets CO  
Target (+450 FTES)

**\$7.8M Structural Deficit**

Scenario 2:

Enrollment Remains  
Flat at 2023/24 Level

**\$12.1M Structural Deficit**



# Brief Updates and Comments

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