

# *University Budget Committee*

*September 22, 2017*

# Agenda

## I. Welcome & Introductions

## II. University Budget Committee Charge

## III. Budget Overview

- Budget Planning Guiding Principles
- CSU Budget Overview
- University Fund Sources

## IV. Review of 2016/17

- Positive Actions and Outcomes
- Continuing Challenges
- 2016/17 Operating Budget
- 2017/18 Carry Forward

# Agenda *(continued)*

V. Objectives & Priorities for 2017/18 and Beyond

VI. Future Meeting Dates & Agenda Topics

VII. Additional Q & A

VIII. Adjourn

# *University Budget Committee Charge*

# University Budget Committee (UBC) Charge

Source: PM 2014-04

## Mission:

- Receive, review and make recommendations to the President on budgets, enrollments, and strategic and divisional plans.

## Perspectives & Scope of Responsibilities:

- Apply university-wide rather than divisional perspectives in analyzing, considering, and recommending resource allocations.
- Review campus budget reports, including prior year budgets to actual expenditures, prior year commitments, and prior year carryforward balances.
- Consider whether existing resource allocation should continue, as necessary.
- Recommend new base and one-time allocations and reallocations that consider budget information and projections; enrollment reports and forecasts; divisional needs and priorities; the university strategic plan; academic plans; and the university's student success framework.

# UBC Charge *(continued)*

## Procedures:

- UBC shall receive reports and forecasts from division heads of expected revenues, mandatory and continuing commitments, proposals for priority expenditures; proposed changes or additions to academic plans; and plans for student success.
- Not later than April 1, UBC shall forward to the President recommendations for the university's expenditure plan for the subsequent year, taking division head presentations into account.

## Additional

- The President and VPAF/CFO shall hold a Budget Town Hall at least once a year to provide an overview of the university budget.
- Budget presentations/information provided to the UBC shall be posted to the UBC website. Summaries of discussions held during UBC meetings also may be posted to the website.

# *University Budget Overview*

# ***Budget Planning Guiding Principles***



# Budget Planning Guiding Principles

Source: An Introduction for Faculty and Academic Administrators By Larry Goldstein

## A Budget:

- Is a map guiding the university's journey in pursuit of its mission.
- Is a financial representation of the university's plans.
- Should include details on how resources will be received & used.
- Should provide a means for tracking revenue and expenses so resources can be used most effectively to meet university goals.
- Should present the results of resource allocation decisions and provide a means to set priorities for future resources.
- Should be developed through shared governance for best results.
- Should include provisions for contingencies.
- Should be flexible enough to respond to changing needs.

# Budget Planning Guiding Principles (cont'd.)

Source: An Introduction for Faculty and Academic Administrators By Larry Goldstein

- Budgeting should be integrated with planning & measurement.
  - Approved budget is only a snapshot.
  - Process is continuous.
  - Always responding to new information.
- All-funds budgeting.
- Strive for accountability versus control.
- Broadly participative process.
- Information is most valuable when shared—especially financial information.

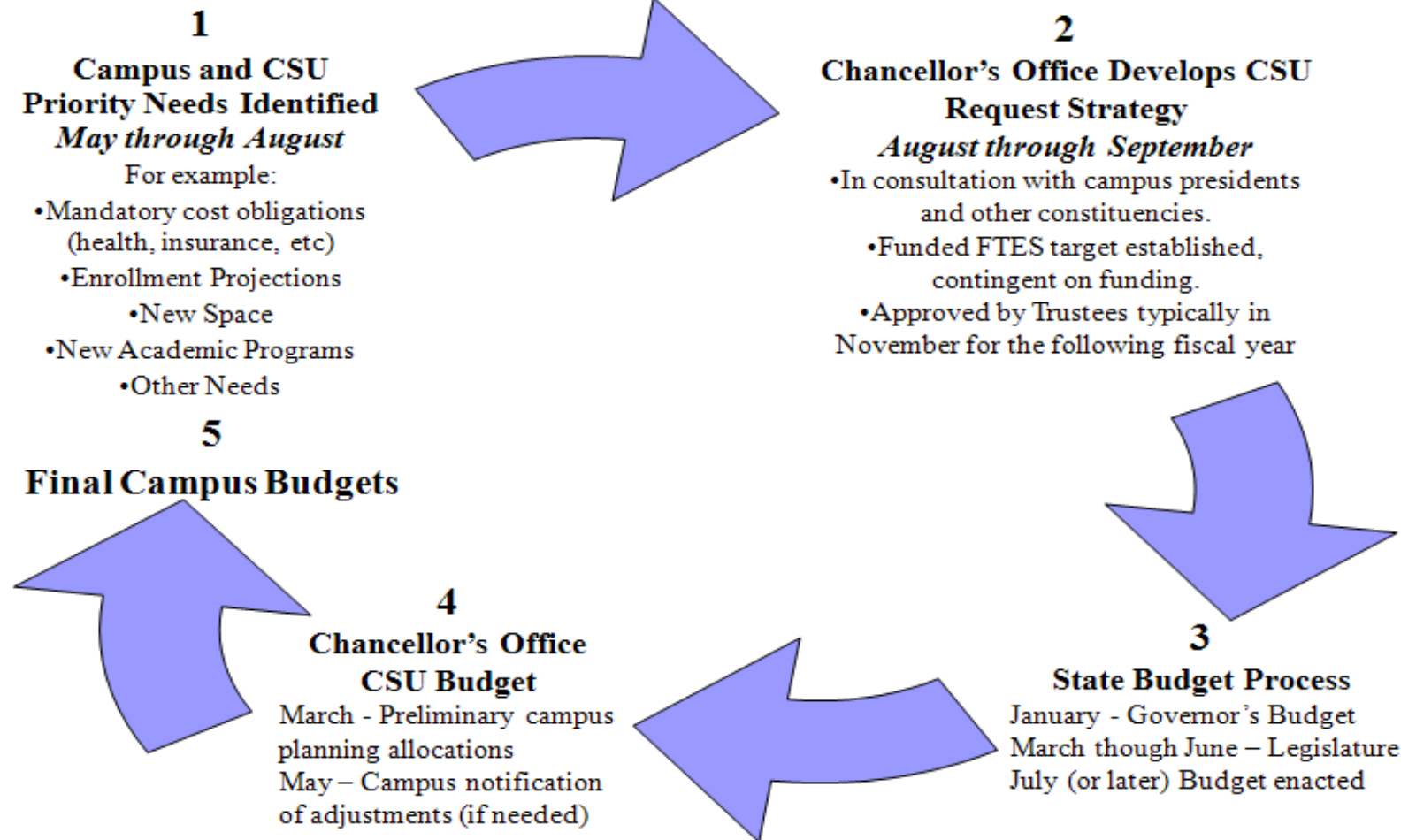
# Budget Planning Guiding Principles (cont'd.)

Source: An Introduction for Faculty and Academic Administrators By Larry Goldstein

- Planning is the challenging part
  - When done well, budgeting & measurement are relatively easy
- Effective planning identifies what is important and what is not as important.
- Budget ideally is the quantitative representation of what's important.
- All resource allocation decisions should align with campus priorities.

# ***CSU Budget Process***

# CSU Budget Process



# *University Fund Sources*

# Operating & Auxiliary Fund Sources

- CSU Operating Fund consists of:
  - State Allocation
  - State Tuition Fee Revenue
  - Other Revenues (e.g., non-resident tuition fee, application fee, miscellaneous fees, etc.)
- University auxiliary organizations are separate, private, non-state, non-profit corporations consistent with California Ed Code and Corporation Codes:
  - CSUDH Foundation
  - Associated Students
  - Loker Student Union
  - Philanthropic Foundation

# 2017/18 University Budget—All Funds

Projected Operating Fund <sup>1</sup>	\$176,666,400
Interest Income	910,000
Student Health Services	2,014,347
Fee Trusts - Miscellaneous	1,100,000
Instructionally Related Activities (IRA)	142,000
Continuing Education Fund	16,110,000
Housing Fund	4,744,379
Parking Fund	3,226,119
Parking Fines and Forfeitures	311,940
CSUDH Foundation	24,398,699
CSUDH Philanthropic Foundation	3,500,000
Student Union	5,303,789
Associated Students	1,822,500
<b>Total University Budget</b>	<b>\$240,250,173</b>

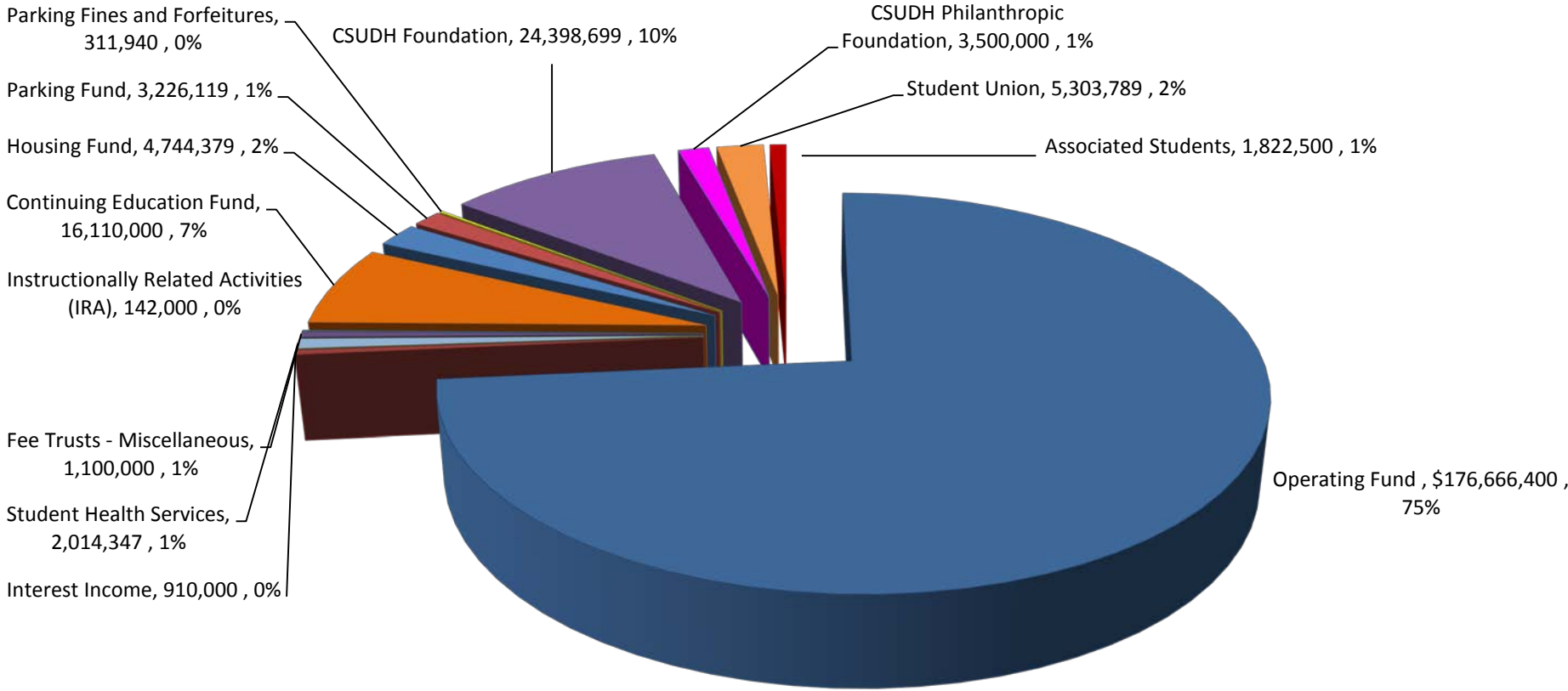
## Footnote

<sup>1</sup>The University Operating Fund includes the state allocation, tuition fee revenue (including Student Success), reimbursements, and Lottery.



# 2017/18 University Revenue Budget—All Funds

## Total \$240,250,173



# 2017/18 Projected Operating Revenue

	<u>Baseline</u>	<u>One-time</u>	<u>Total</u>
State Appropriation	\$86,464,352	1,404,172 <sup>1</sup>	\$87,868,524
Tuition Fees	77,417,382	-	77,417,382
Non-Resident Tuition Fees	1,326,000	-	1,326,000
Application Fees	700,000	-	700,000
Student Success Fee	6,370,000	-	6,370,000
Miscellaneous Revenue <sup>2</sup>	95,000	-	95,000
Lottery Fund	973,000	-	973,000
College Work Study	647,407	-	647,407
Enterprise Funds and Auxiliary Organization Cost Recovery	2,673,259	-	2,673,259
<b>Total Projected Operating Fund Revenue</b>	<b><u>\$176,666,400</u></b>	<b><u>\$1,404,172</u></b>	<b><u>\$178,070,572</u></b>

Footnote:

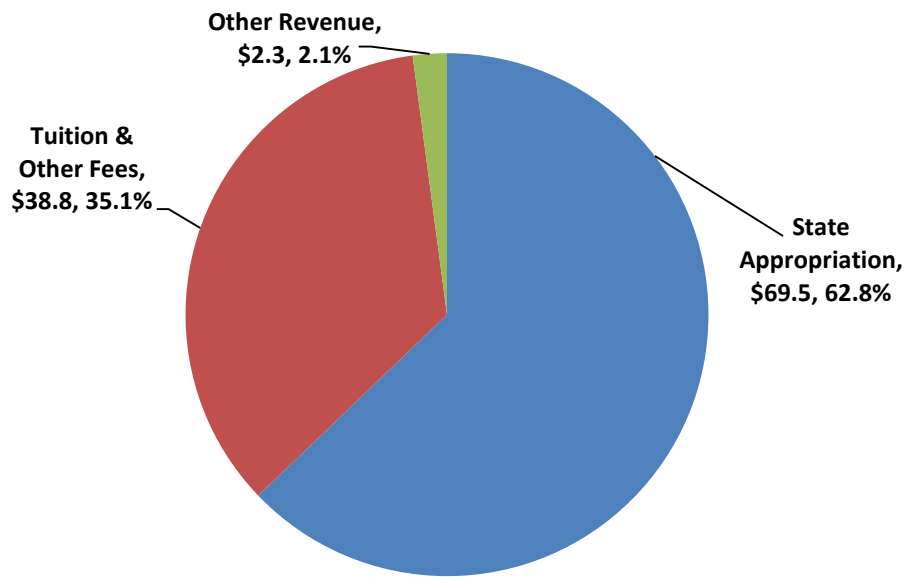
<sup>1</sup> 2025 Graduation Initiative Funds, Campus Infrastructure Improvement, and RSCA.

<sup>2</sup> Miscellaneous fees for late, transcripts, fines, etc.

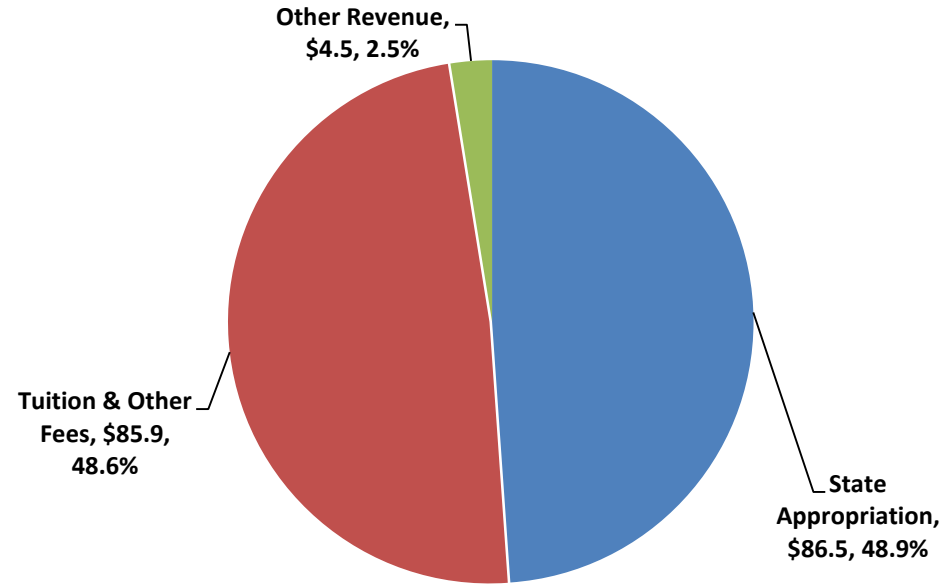
# State Appropriation, Tuition/Other Fees & Other Revenue

## FY 2008/09 vs. FY 2017/18

(in Millions \$)



**FY 2008/09**  
**\$110.6**



**FY 2017/18**  
**\$176.9**

# ***2016/17 Review***

# 2016/17: Positive Actions/Outcomes

- Allocation of base and one-time resources focused on achieving goals and objectives outlined in the University strategic plan.
- Much more transparency, including via OpenGov.com
- Reduced \$12.4M base shortfall to \$4.7M
- Leveraged all funds budgeting to ensure all approved 2016/17 division budgets were allocated by December 2016
- The Student Success Fee allocations enabled the campus to sustain and enhance high impact practices.
- Received 2% funded enrollment growth for 2017/18.
- Other positive actions/outcomes?

# Continuing Challenges

- Base deficit of \$4.7M at beginning of 2017/18.
- Increasing benefit costs and recognition \$12.4M base gap did not include benefit costs.
- Funding of \$12.4M base gap as approved budget did not fully reflect all base funding shortfalls, including student assistants.
- Fiscal implications of continued increases in mean unit load.
- Increasing technology costs.
- Increasing facility costs.
- Health Center funding shortfalls
  
- Other continuing challenges?

# 2016/17 Operating Funds Base Budget

Academic Affairs	\$52,116,106
Administration and Finance	13,343,293
Student Affairs	8,643,156
University Advancement	3,119,555
Information Technology	6,057,304
President's Division	3,525,306
Centrally Monitored Funds <sup>1</sup>	75,491,044
<b>Total Operating Fund Budget</b>	<b>\$162,295,764</b>

<sup>1</sup>Centrally Monitored Funds detail shown on slide 24

# 2016/17 Operating Fund Centrally Monitored Budget

**MANDATORY**

Employee Benefits	38,183,183
Utilities	3,134,190
CSU Risk Management Authority (CSURMA)	2,348,150
Property Insurance Premium Costs	166,785
Risk Management Pool	329,509
Student Financial Aid <sup>1</sup>	29,446,201
Work Study	656,064
Employee Compensation Pool	288,045

**SUBTOTAL - MANDATORY: 74,552,127**

**SERVICE COMMITMENT**

CSU Financial Audit	\$25,500
CSU Financial Records and State Budget Report	110,000
Future Scholars	30,000
Scholarships for MWD Interns	10,800
Instructionally Related Activities (State Funded Admin Costs)	17,648
Student Union Rental	100,000
Academic Technology (ITS-BATS)	77,557
Commencement	82,996
University Events	94,523
CCAA Membership Dues	43,463
President Housing Rental	70,000
Transfer to Student Health Services Fund	276,430

**SUBTOTAL - SERVICE COMMITMENT: \$938,917**

**Total Centrally Monitored Funds \$75,491,044**

<sup>1</sup> Tuition Fee Discount (aka SUG), EOP, Institutional Scholarships, etc.



# 2016/17 All Funds Carry Forward

## As of June 30, 2016

Operating Fund (AADHT) <sup>1</sup>	12,155,816
Course, Lab, Testing, User Fees <sup>2</sup>	1,342,592
Health Services Fee <sup>3</sup>	(1,219,861)
Health Facilities Fee	1,265,973
Lottery Fund	48,487
Continuing Education Fund	11,275,921
Continuing Education Fund-Campus Partners	3,392,546
Instructionally Related Activities	226,092
Housing Fund	1,540,287
Parking Fund	2,927,539
Fines and Forfeitures	127,374
Cost Recovery Funds	2,036,223
Miscellaneous Trust	1,907,300
MT-Education Broadband <sup>4</sup>	210,868
MT-Innovation Grant Fund	1,019,037
<b>Total University All Funds Carry-Forward Balances</b>	<b>\$38,256,196</b>

Footnote:

<sup>1</sup>See detail in Operating Fund BBA

<sup>2</sup>Course, Lab, Testing, User Fees - fees approved by Campus Fee Committee

<sup>3</sup>Includes Augmented Health Services Fee

<sup>4</sup>New Science Building & Other University Projects

**Note: Chart excludes financial aid funds**

# 2016/17 Operating Fund Carry-Forward Balances

## As Of June 30, 2016

DIVISION /CENTRAL	TOTAL BUDGET	TOTAL EXPENDITURES	BALANCE PRIOR TO ENCUMBRANCES (CARRY-FORWARD)	ENCUMBRANCES	BUDGET BALANCE AVAILABLE (BBA)
ACADEMIC AFFAIRS	54,759,038	52,781,273	1,977,765	212,086	1,765,679
ADMINISTRATION AND FINANCE	15,384,342	13,202,673	2,181,670	561,669	1,620,001
STUDENT AFFAIRS	7,435,282	7,222,698	212,584	48,894	163,690
UNIVERSITY ADVANCEMENT	4,360,016	3,733,643	626,373	47,250	579,123
PRESIDENT'S DIVISION	5,081,472	4,651,103	430,369	36,594	393,775
INFORMATION TECHNOLOGY	6,526,254	5,534,075	992,179	128,337	863,841
CENTRALLY MONITORED	78,683,378	72,948,501	5,734,877	-	5,734,877
<b>TOTAL</b>	<b>172,229,782</b>	<b>159,704,439</b>	<b>12,155,816</b>	<b>1,034,830</b>	<b>11,120,987</b>

# ***Objectives & Priorities for 2017/18 and Beyond***

# Objectives & Priorities

- Share additional information on non-operating fund resources.
- Invest more intentionally in advancing the University strategic plan.
- Continue to invest in student success.
- Full and complete transparency (e.g., OpenGov, Town Hall presentations, and central and departmental reporting), including providing information to UBC more timely.
- Consider multi-year budget strategies.
- Better understand enrollment impacts on revenue and expenses.
- Leverage the value and benefits of shared governance via UBC and other means.
  - Ensure all committee members have an equal voice
  - Provide adequate time for discussion and decision making

# Future Meeting Dates\* & Proposed Topics

Friday, October 6	2017/18 New Revenue, 2018/19 Student Success Fee Projections, Mandatory Costs & Overview of Division Budget Requests
Friday, October 20	Division Budget Request Presentations
Monday, November 6	Discussion on 2017/18 Budget Requests
Friday, December 1	Finalize Budget Allocation Recommendations

\* All meetings are held from 3-5pm in the President's Large Conference Room (WH D 444)

*Questions?*