



CSUDH

CALIFORNIA STATE UNIVERSITY
DOMINGUEZ HILLS

BUDGET TOWN HALL

November 6, 2024

OBJECTIVES

Provide updates on budget reductions and impacts on the general operating fund.

Increase transparency without getting into micro-level details.

Provide context & background influencing decision-making.

Provide first-hand information to curb misinformation.

Provide information on campus designated balances & reserves.

Share how the campus is preparing for the 2025-26 fiscal year.

Answer questions.

WHAT ARE WE FACING?

Impacts to Enrollment

Base funded over enrollment revenue

Post-pandemic enrollment decline – Living above means

Right-size to align with Chancellor's Office (CO) Funded Target

Funding Shortfall for Compensation Packages

Budget plan to fund 2% salary increases for all employees included funding from tuition increase beginning 2024-25

Actual salary increases 5%

Campuses expected to cover funding shortfall of 3%

State Support Divestment & Inflation

Governor's Compact Changes due to economic decline

State support reduction

Inflationary cost increases and economic uncertainty

HISTORICAL TIMELINE OF BUDGET

2023-24

Exercised 6% Base Budget Reduction in amount of **\$6.9M** amongst divisions to right-size Campus Base Budget

Transparency w/ Campus (CTM, Lunch & Learns, etc.)



2023-24

Universities must fund a portion of the Compensation Increases for 2023-24, 2024-25, and 2025-26.

Budget reductions effective 2024-25 to cover 2023-24 and 2024-25 shortfall



2024-25

Exercised Base Budget Reduction in the amount of **\$7.6M** to cover projected University Funded Portion of Compensation Increases

Projections provided in 2023-24



2025-26

-\$397M in Reductions for CSU

Estimated additional DH reductions of ~\$12 - \$15M



2024-25

Exercised additional Base Reduction to cover increased shortfall of **\$4.5M**



2024-25

Final Budget Allocation Memo details additional University Funded Portion of Compensation due to \$75M one-time payback to state, GI2025, and other mandatory expenditures

CSUDH BUDGET REDUCTIONS

	Starting Original Base Budget	Phase 1	Phase 2	Phase 3		Next Phase
		Right Sizing Enrollment Decline	Shortfall in Compensation Packages	\$75m State Reduction & Enrollment Right sizing		Estimated CSU State Reduction (\$397M)
Divisions	2023-24 Beginning Base Budget	2023-24 6% AADHT Base Reduction	23-24 and 24-25 \$7.6M AADHT Base	2024-25 \$4.5M AADHT Base Reduction	TOTAL AADHT REDUCTIONS	2025-26 \$12.1M AADHT Base Reduction
ACADEMIC AFFAIRS	\$ 73,815,563	\$ (4,458,000)	\$ (4,282,640)	\$ (2,676,340)	\$ (11,416,980)	\$ (7,197,000)
ADMIN AND FINANCE	18,485,469	(978,000)	(786,761)	(662,823)	(2,427,584)	(1,782,000)
ADVANCEMENT	3,650,654	(138,000)	(279,689)	(123,785)	(541,474)	(333,000)
DEIJ	447,948	-	(38,525)	(20,369)	(58,894)	(55,000)
INFO TECHNOLOGY	10,755,540	(528,000)	(468,352)	(392,077)	(1,388,429)	(1,054,000)
PRESIDENTS	3,083,344	(174,000)	(111,316)	(112,335)	(397,651)	(302,000)
STUDENT AFFAIRS	13,642,169	(648,000)	(293,967)	(512,271)	(1,454,238)	(1,378,000)
Division Total	\$ 123,880,687	\$ (6,924,000)	\$ (6,261,250)	\$ (4,500,000)	\$ (17,685,250)	\$ (12,101,000)
BENEFITS POOL	\$ 54,867,643	\$ -	\$ (1,383,592)	\$ -	\$ (1,383,592)	\$ -
Grand Total	\$ 178,748,330	\$ (6,924,000)	\$ (7,644,842)	\$ (4,500,000)	\$ (19,068,842)	\$ (12,101,000)

2023-24 ENDING DESIGNATED BALANCES & RESERVES

Fund	2022-23 Balances	2023-24 Balances	\$ Change YOY	% Change YOY
CSUDH Operating Fund				
AADHT	\$ 48,094,851	\$ 31,702,477	\$ (16,392,374)	-34%
ST001 - Student Success	1,196,239	40,376	(1,155,863)	-97%
Health Services	116,850	73,392	(43,458)	-37%
Other Student Fees	1,386,163	910,594	(475,569)	-34%
CSUDH Loans - I&I and JP Morgan	(19,968,935)	(19,511,773)	457,162	-2%
Research & Capital Planning	1,543,989	777,240	(766,750)	-50%
CSUDH Operating Fund Total	32,369,158	13,992,306	(18,376,852)	-57%
Designated Funds				
CCPE & Campus Partners	18,328,845	12,814,763	(5,514,082)	-30%
Parking	10,746,804	11,849,865	1,103,061	10%
Housing	2,278,919	1,654,889	(624,030)	-27%
Loker Student Union	6,129,623	5,865,291	(264,332)	-4%
Toro Auxiliary Partners	9,916,115	11,494,409	1,578,294	16%
Philanthropic Foundation	38,385,139	44,576,605	6,191,466	16%
ASI	3,261,425	3,353,469	92,044	3%
Lottery	687,950	700,104	12,154	2%
IRA	205,136	79,169	(125,967)	-61%
Health Facilities	1,000,011	823,248	(176,763)	-18%
Capital & Maintenance	74,042,107	82,722,561	8,680,454	12%
Designated Funds Total	164,982,074	175,934,373	10,952,300	7%
Grand Total All Funds	197,351,231	189,926,679	(7,424,552)	-4%

2023-24 CSUDH OPERATING FUND - AADHT

CSUDH Operating Fund - AADHT	2023-24 YE Balance
AADHT Ending Fund Balance	\$ 31,702,477
AADHT 2023-24 Open Encumbrances	(3,138,530)
AADHT Year-End Balance	\$ 28,563,946
AADHT Year-End Balance Breakdown	
Divisions	\$ 5,111,324
Centrally Monitored (CM) Designated	17,136,364
Centrally Monitored (CM) Deficits	(14,155,365)
Centrally Monitored (CM) Reserves	20,471,623
AADHT Year-End Balance	\$ 28,563,946

Divisions	2023-24 YE Balance
ACADEMIC AFFAIRS	4,487,112
ADMIN AND FINANCE	(1,003,808)
ADVANCEMENT	1,443,128
DEIJ	322,447
INFO TECHNOLOGY	(1,088,440)
PRESIDENTS	585,883
STUDENT AFFAIRS	365,002
Total	5,111,324

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CM - Designated Balances	2023-24 YE Balance
Utilities	655,107
Financial Aid - State University Grant (SUG)	10,998,779
I&I Loan	1,373,000
President's Initiative	872,360
Basic Needs	492,000
Black Women's Think Tank	2,455,010
AB 928 Stdnt Transfer Achv	163,000
eSports	52,514
Emergency Operations	74,594
Total	17,136,364

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CM - Reserves / Undesignated Balances	2023-24 YE Balance
6% Reduction	6,248,055
CM Unallocated Reserve	7,677,328
IDC - HEERF/CARES	6,546,239
	20,471,623

Reserve Leftover After Covering Deficits	6,316,258
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CSUDH Monthly Payroll is ~\$17 million

SUMMARY OF BUDGET REDUCTIONS

Personnel

Operating
Expenses



CSUDH

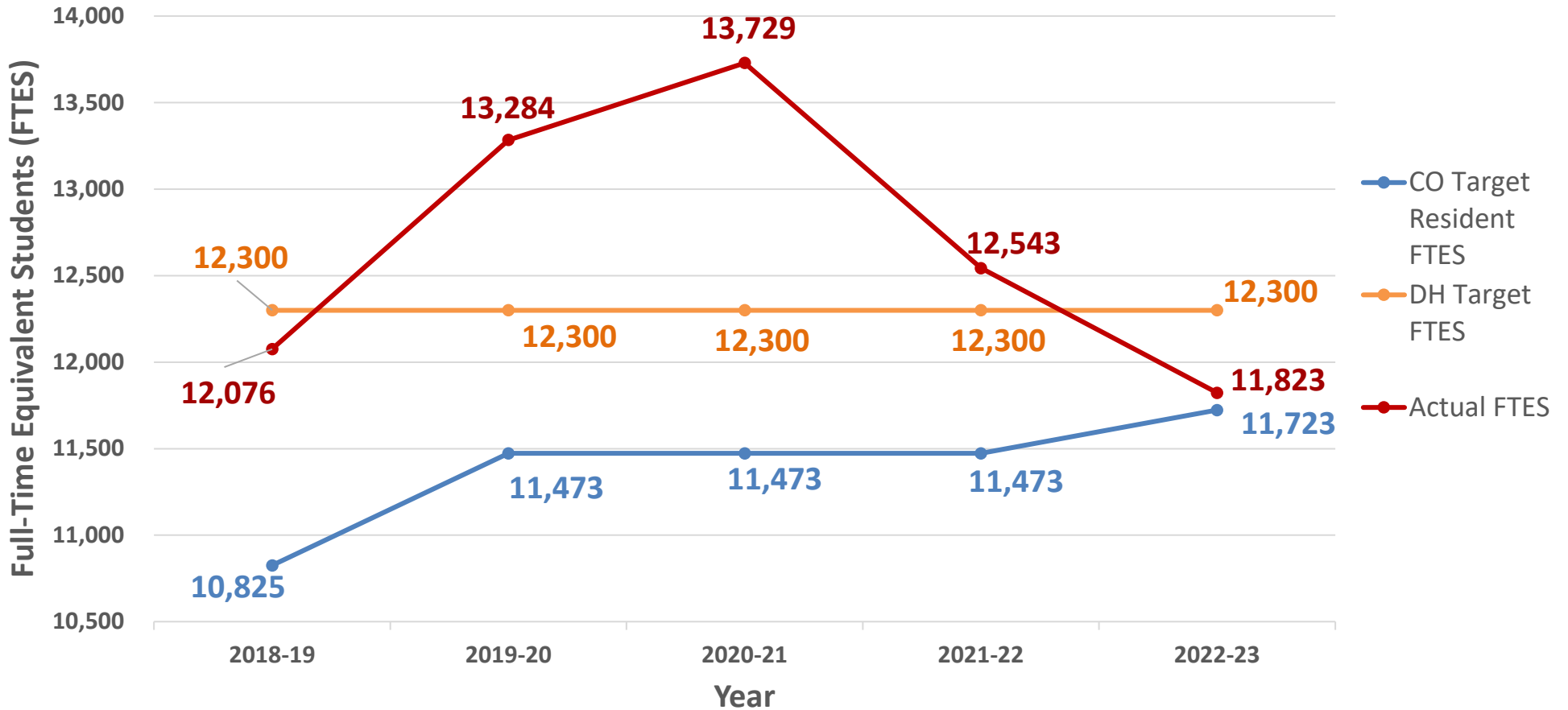
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**Question &
Answers**

APPENDIX

APPENDIX 1: PHASE 1 RIGHT-SIZE BUDGET REDUCTION



APPENDIX 2: PHASE 2 FUNDING SHORTFALL COMPENSATION PACKAGES



(in millions)

	23/24	24/25	25/26	Total
Cost of 5% Increase	\$261	\$277	\$291	\$829
Compact Funds for Comp	\$123	\$68	\$112	\$303
Campus funds needed	\$138	\$209	\$179	\$526
Tuition Rate Increase	\$0	\$99	\$105	\$204
Campus Funds Needed	\$138	\$110	\$74	\$322
University Estimate				
Dominguez Hills	4,250,000	3,388,000	2,279,000	9,917,000

2023-24 & 2024-25 Total Compensation Shortfall = \$7,638,000

Under the assumption that the CSU would receive the compact in 2024-25 and 2025-26 to fund a portion of the total compensation package

APPENDIX 3: PHASE 3 STATE SUPPORT CHANGES / ENROLLMENT DECLINE

Funding Gaps (Estimated Projections)	Amount
2024-25 Enrollment – Tuition Revenue Shortfall	\$2,700,000
2024-25 Proportionate Share of \$75 million One-Time Cut <i>Final Budget Memo</i>	\$1,460,000
2024-25 Additional Compensation Shortfall in addition to \$3.38M Cut*	\$933,000
Grand Total	\$5,093,000

**CSUDH exercised budget reductions effective 2024-25 in the amount of \$7.6M to cover University Funded portion of 2023-24 (\$4.2M) & 2024-25 (\$3.4M) Compensations Increases (Cost estimated provided by CO in 2023-24). The \$933K is an additional funding gap following 2024-25 Final Budget Allocation Memo with updated University Funded Portion of Compensation.*

APPENDIX 4: 2024-25 FINAL BUDGET ALLOCATION MEMO

	2024-25 Increase Base
Revenue Sources	
State Appropriation	\$ 6,997,000
One-Time General Fund \$75M Reduction	(1,460,000)
Tuition Rate Increase	4,642,000
Grand Total Revenue	\$ 10,179,000

Please refer to CSU Budget Website:

<https://www.calstate.edu/csu-system/about-the-csu/budget/Pages/coded-memos.aspx>

	2024-25 Increase Base
Budget / Uses	
2023-24 Revisions	
Support with Students with Disabilities	\$ 31,000
Project Rebound	300,000
Enrollment Growth	(791,000)
23-24 Compensation Cost Increase	7,979,000
23-24 Compensation - University Funded	(4,109,000)
Total 2023-24 Uses	3,410,000
2024-25 Allocations	
Graduation Initiative	\$ 656,000
Health Care Premiums	2,333,000
Operations & Maintenance of New Facilities	34,000
Liability & Property Insurance Premiums	880,000
24-25 Compensation Cost Increase	9,644,000
24-25 Compensation - University Funded	(6,437,000)
Title IX	500,000
Cal NAGPRA	175,000
Veteran Tuition Waivers	59,000
SUG Adjustment	(1,075,000)
Total 2024-25 Uses	\$ 6,769,000
Grand Total Uses	10,179,000

APPENDIX 5: CSU POLICIES & REFERENCES

- CSU Designated Balances & Reserves Policy: <https://calstate.policystat.com/policy/15644789/latest>
 - Policy recommends reserves for economic uncertainty should accumulate a minimum of three months, and a maximum of six months of the annual operating budget for each operating activity fund.
- Final Budget Allocation Memos: <https://www.calstate.edu/csu-system/about-the-csu/budget/Pages/coded-memos.aspx>
- Enrollment Data: <https://www.calstate.edu/csu-system/about-the-csu/facts-about-the-csu/enrollment>