

BUDGET LUNCH & LEARN

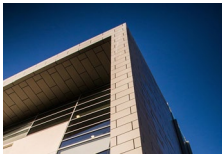
Capital Project Funding

March 26, 2025

CSUDH

Budget Lunch & Learn is a series of conversations on campus to discuss the background and health of budget at CSUDH.

Today, we will cover Capital Projects, how they are funded, and the role it plays on the campus budget.



Project Types – Major Capital Projects

Academic Facilities

Classrooms

Teaching Laboratories

Libraries

Administration

Utilities/Central Plant

Self-support

Student Unions

Recreation Centers

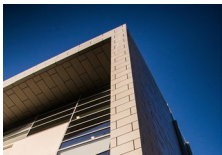
Student Housing

Parking

Health Centers

Continuing Education

Public-Private Partnership (P3)



CSUDH COMPLETED PROJECTS

Academic Facilities



Innovation & Instruction Building (I&I)

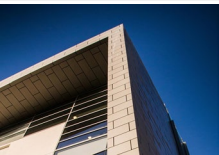


Science & Innovation Building

Self-support



Housing Residence Hall



Elements of a Project Proposal



What?

- Project Description
- Due Diligence Items



Where?

- On Campus
- Off-site



Why?

- Goals
- Purpose



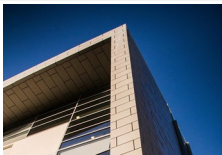
When?

- Project Timeline
- Approvals
- Planning, Construction, Opening

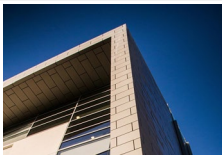
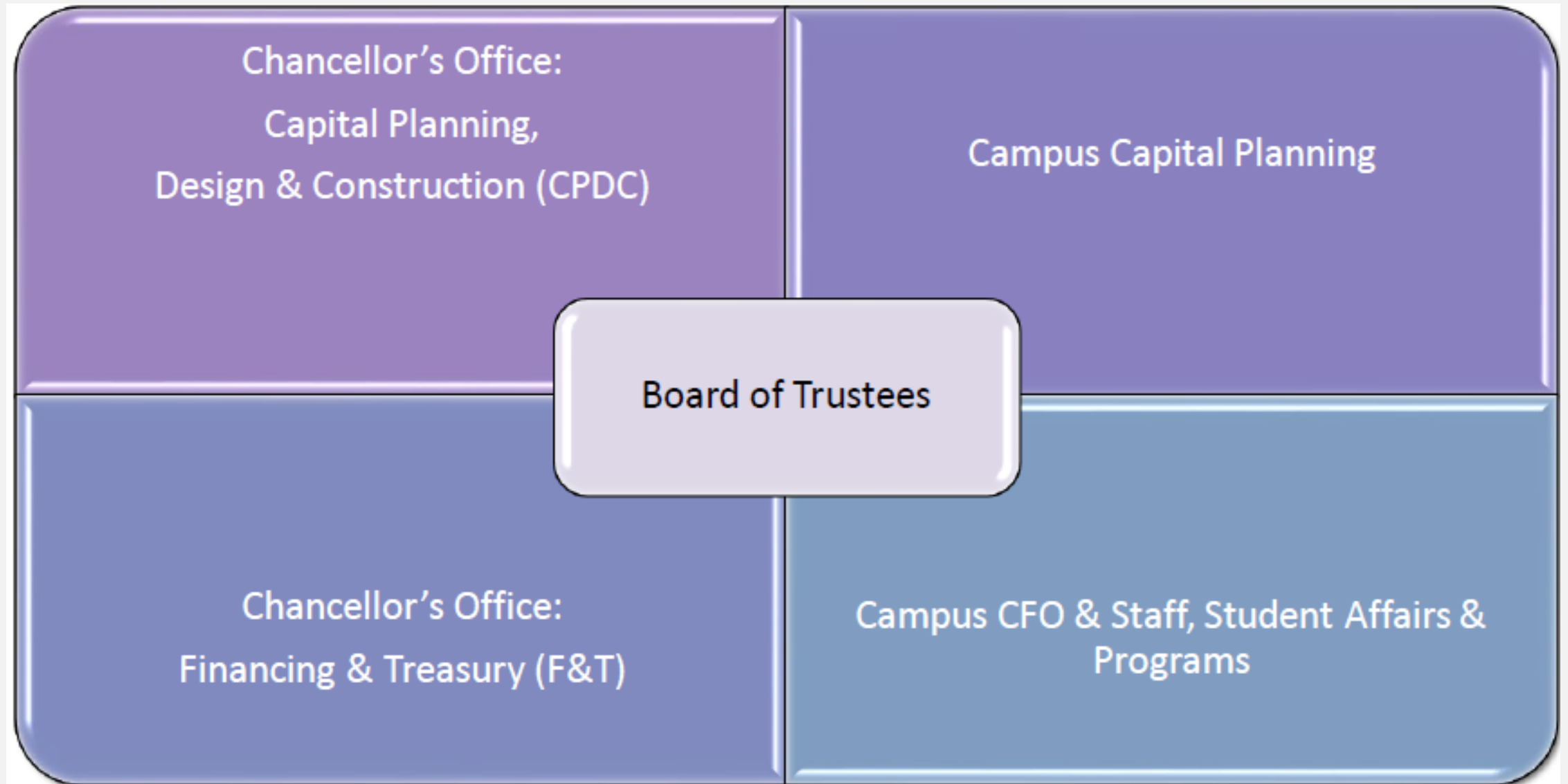


How Much?

- Project Budget
- Financial Plan
- Cash Flow



Who is involved to FUND a project?



Campus Priorities & Processes

Campus Program Identifies Priority (Planning Focus)

Campus Supports Priority

CPDC Supports Capital Outlay Board Approval

CPDC Supports Schematics

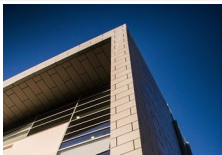
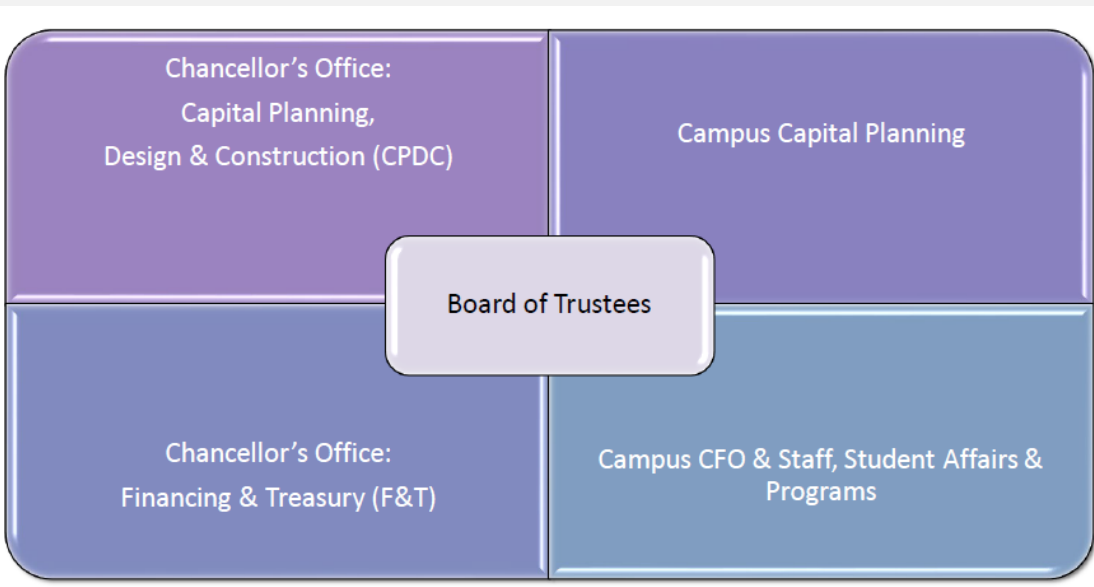
Project Budget Established and Finalized

Campus CFO & Staff Supports Financial Plan

CO Finance & Treasury Reviews and Supports Financial Plan

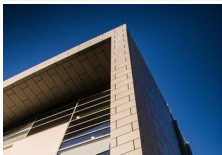
CO Finance & Treasure Supports Final Budget, Due Diligence

Board of Trustees (BOT) Agenda for Financing Approval



Sources of Funds

Source of Funds	Examples
<u>Borrowing / Financing:</u> Systemwide Revenue Bonds (SRB)	<u>Resources:</u> Student payments from student fees Mandatory Fees: Student Body Center, etc. Self-support/User: Housing Rent, Parking Permits, etc.
State Funds	Designated state funding as part of the governor's budget and other state legislative goals
CSU Reserves	Campus reserves or System Office support
Other Funds	Donations General Public Private Parties for Services



Systemwide Revenue Bond (SRB) Program

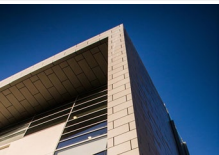


Authorized by the State University Revenue Bond Act of 1947

[\(CA Ed Code Sections 90010 through 90083\)](#)

SRB Benefits:

- Lowest Cost of Borrowing for CSU
- Primarily fixed-rate portfolio provides budget certainty
- Good credit ratings for SRB



Debt Service Coverage Ratio (DSCR)

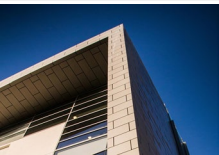
Measures the program or campus' ability to cover its debt service requirements and helps determine the maximum project size that can be supported.

Minimum for Self-Support Program = 1.10

DSCR Formula:

$$\text{DSCR} = \frac{\text{Total Operating Revenues} - \text{Total Operating Expenses}}{\text{Annual Debt Service (Principal and Interest)}}$$

$$= \frac{\text{Net income}}{\text{Debt Service}} = \frac{\$1,100,000}{\$1,000,000} = 1.10$$

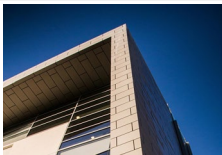


Financial Plan / Pro-Forma

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Facilities Planning, Design & Construction

- All Major Capital Project budgets include funds to hire project managers to oversee the project. Our project managers on campus is supported by the major capital projects.
- Minor Capital Projects – departments that request projects through their own funding; dipping into major cap projects to support project managers
- Deferred Maintenance Projects – project management support will last for a couple years
- Workforce for Capital Projects is different than stateside & instruction



CSUDH Current Major CAP Projects

Budget Act of 2021 – AB 128 - [Bill Text - AB-128 Budget Act of 2021.](#)
State Earmarks for Major Capital Projects = State Dollars

Affordable Student Housing & Dining Commons

\$97.0 million

- \$22.0 million State Earmark
- \$48.0 million Fed Grant
- \$27.0 million SRB (Housing Rent)

Student Health & Wellness Recreation Center

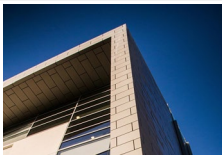
\$87.5 million

- \$20.0 million State Earmark
- \$1.5 million State Grant
- \$66.0 million SRB (Referendum Fee)

Orthotics and Prosthetics Sciences

\$11.4 million

- \$5.9 million CCPE
- \$1.6 million CSU dollars
- \$3.0 million loan from Parking
- \$0.5 million Donor
- \$0.4 million CHHSN



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	<u>1,543,989</u>	<u>777,240</u>	<u>(766,750)</u>	-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	<u>74,042,107</u>	<u>82,722,561</u>	<u>8,680,454</u>	<u>12%</u>
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%

CSUDH Primary Sources of Revenue

STATE APPROPRIATION

*Funded Enrollment Targets
established by CO*

TUITION

*Enrollment drives
revenue generation*

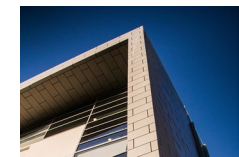
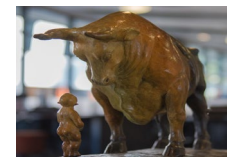
STUDENT FEES

PHILANTHROPY

GRANTS & CONTRACTS

FUND BAL / RESERVES

AUXILIARY PARTNERS



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STUDENT FEES

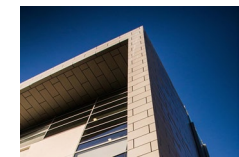
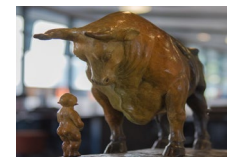
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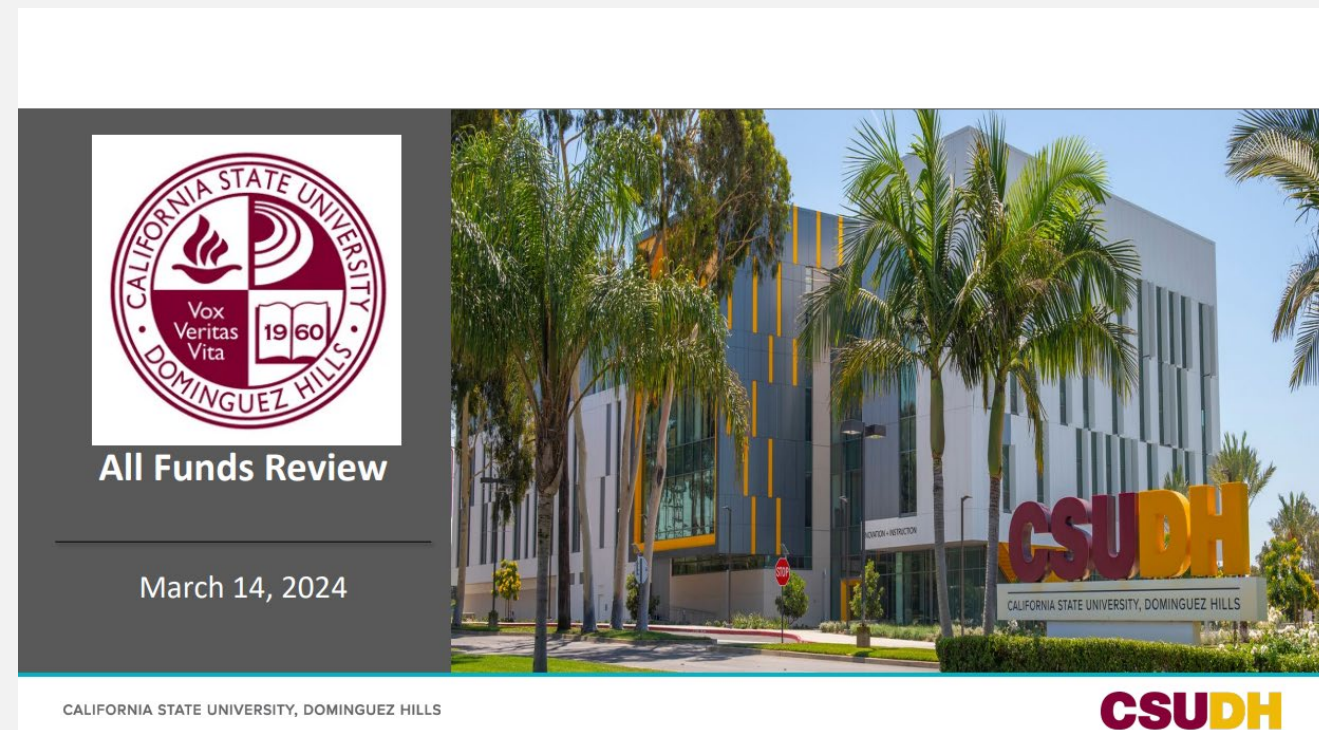
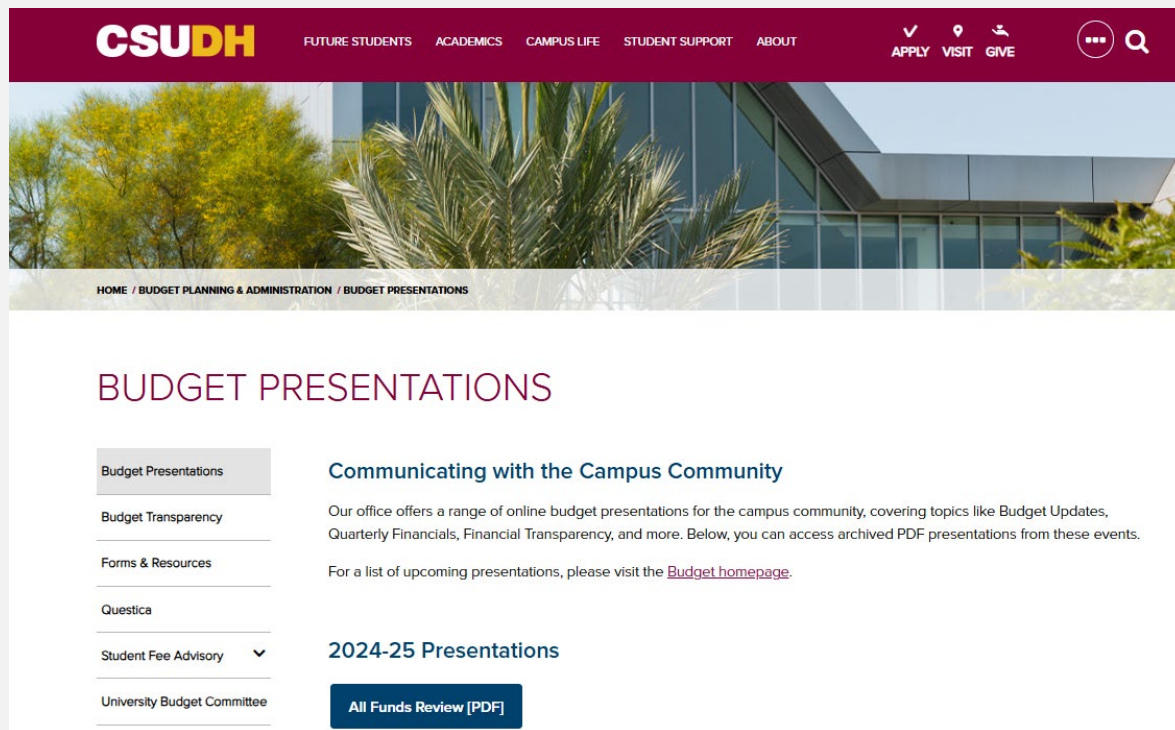
FINANCING - Capital



ALL FUNDS REVIEW

Budget Presentations Website: <https://www.csudh.edu/budget-plan-admin/budget-presentations/>

All Funds Review Presentation: <https://www.csudh.edu/Assets/csudh-sites/budget-plan-admin/docs/presentations/2024-25/all-funds-review.pdf>



QUESTIONS



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<https://www.csudh.edu/budget-plan-admin/>

