



California State University  
**DOMINGUEZ HILLS**

# University Budget Town Hall

**October 24, 2017**

# ***Report Preparation & Acknowledgements***

## Administration and Finance

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## University Budget Committee

- Kamal Hamden, Chair, COE
- Kate Fawver, CAH
- Hugo Asencio, CBAPP
- Gurpreet Singh, CEIE
- Bin Tang, CNBS
- Kathleen Chai, CHHSN
- Joanna Kimmitt, University Library
- Theodore Byrne, Past Chair (Non Voting)
- Justin Blakely, ASI
- Caithlyn Torres, ASI
- Grace Iheke, ASI
- Michael Kelley, Staff Appointee
- Division Heads or Designee
- Division Resource Managers (Non Voting)

# ***Why Are You Here Today?***

# *Objectives*

- Present information that is helpful and easily understood.
- Increase transparency without getting into micro-level details.
- Provide context & background influencing decision-making.
- Provide update on base deficits and student success fee expenses.
- Share information on new operating revenue.
- Provide information on capital funding commitments.
- Answer questions.

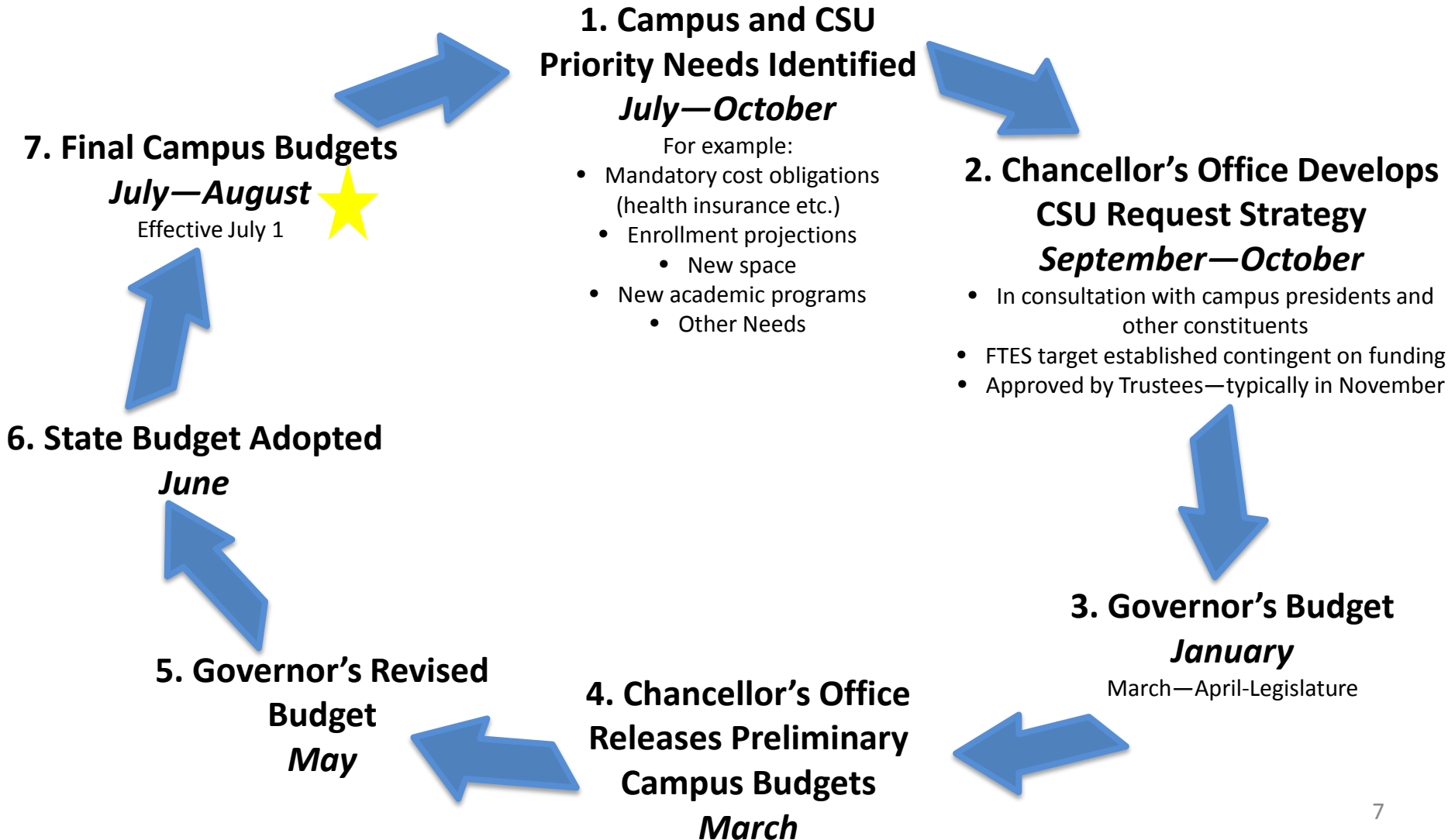
# *Agenda*

- 1) Introduction
  - Definitions
  - CSU Budget Cycle
- 2) University Fund Sources
- 3) Base Operating Fund Shortfall
- 4) Strategic Use of New Revenue
- 5) Student Success Fee
- 6) FY 16/17 Operating Fund Budget & Fund Balances
- 7) New FY 17/18 Operating Fund Revenue
- 8) Capital Project Funding
- 9) Additional Resources
- 10) Q&A

# Definitions

<b>Operating Fund</b>	State appropriations, student tuition, and other revenue (e.g., non-resident tuition fee, application fee, campus-based mandatory fees, and other miscellaneous fees, such as, fines/late fees and miscellaneous course fees).
<b>Auxiliaries</b>	Separate, non-state, private non-profit corporations consistent with California Education Code and Corporation Code. CSUDH has four auxiliaries: Associated Students Inc., the CSUDH Foundation, Loker Student Union, and the CSUDH Philanthropic Foundation.
<b>Auxiliary Enterprise Funds</b>	Created by an act of the legislature and supported by user fees, rents, or charges under the administration of the University. Enterprise funds are self-supporting entities. Examples include: Parking, Housing, and Extended Education (Continuing Education Fund).
<b>Actuals</b>	Total transactions (expense and revenue) in a given fiscal year to-date.
<b>Encumbrance</b>	Remaining purchase order balance still open but not yet invoiced.
<b>Budget Balance Available (BBA)</b>	Unspent amount remaining (actual budget/revenue minus actual expenses minus encumbrances = BBA). Fiscal year specific.
<b>Carry Forward</b>	Fiscal year actual budget/revenue minus fiscal year actual expenses = carry forward. Carry forward funds at fiscal year end are available in subsequent year as one-time funds.
<b>Fund Balance</b>	Cumulative unspent funds (actual revenue minus actual expenses) over multiple years.
<b>Earmarked</b>	Funds provided for a specific purpose by CSU allocation, which may include Cash Posting Orders (CPO) for specific programs or purposes.
<b>Special Purpose</b>	Funds allocated by campus for a specific project or purpose spanning multiple fiscal years.
<b>Base Budget</b>	Recurring funds provided at the onset of each fiscal year.
<b>Original Budget</b>	Base budget—recurring funds provided at the onset of each fiscal year.
<b>Current Budget or Revised Budget</b>	Total amount authorized to spend. Includes base and one-time allocations.

# CSU Budget Process



# University Fund Sources



# ***FY 2017/18 University Revenue Budget***

## **(All Funds)**

Operating Fund	\$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>

# *University Revenue Budget*

## *FY 2016/17 & 2017/18 Comparison*

Fund	2016/17	2017/18	Difference	% increase (Decrease)
Operating Fund	161,872,632	176,666,400	14,793,768	9.14%
Interest Income <sup>1</sup>	642,000	910,000	268,000	41.74%
Student Health Services <sup>2</sup>	2,200,000	2,014,347	(185,653)	-8.44%
Fee Trusts - Miscellaneous	870,000	1,100,000	230,000	26.44%
Instructionally Related Activities (IRA) <sup>2</sup>	142,000	142,000	-	0.00%
Continuing Education Fund <sup>2</sup>	17,493,800	16,110,000	(1,383,800)	-7.91%
Housing Fund	4,589,706	4,744,379	154,673	3.37%
Parking Fund	2,847,000	3,226,119	379,119	13.32%
Parking Fines and Forfeitures	257,558	311,940	54,382	21.11%
CSUDH Foundation	20,994,448	24,398,699	3,404,251	16.22%
CSUDH Philanthropic Foundation	3,000,000	3,500,000	500,000	16.67%
Student Union	5,027,782	5,303,789	276,007	5.49%
Associated Student	1,778,150	1,822,500	44,350	2.49%
<b>Total University Revenue Budget</b>	<b>221,715,076</b>	<b>240,250,173</b>	<b>18,535,097</b>	<b>8.36%</b>

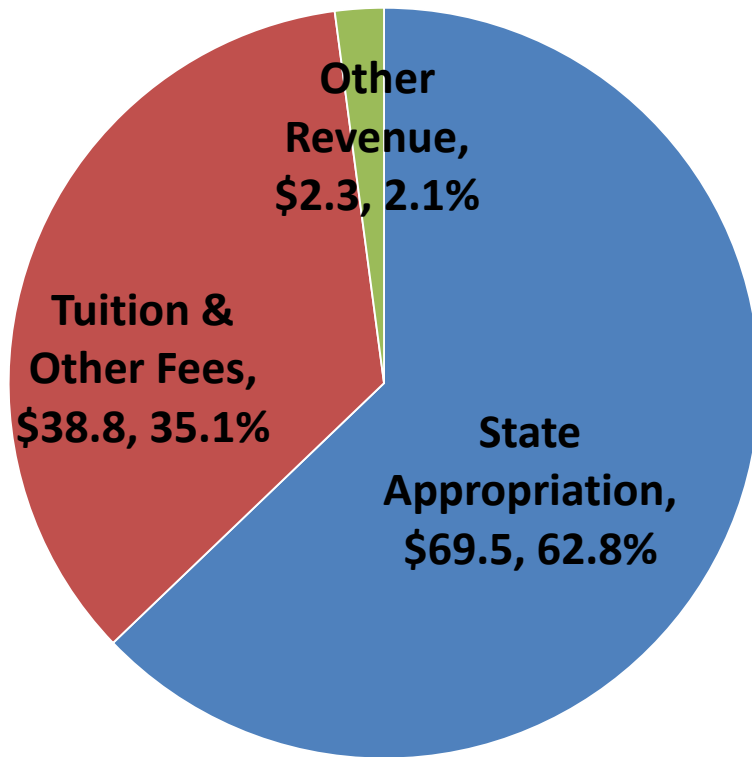
<sup>1</sup> FY16/17 net realized investment earnings exceeded projected revenue budget.

<sup>2</sup> FY 16/17 budgeted revenue not fully realized.

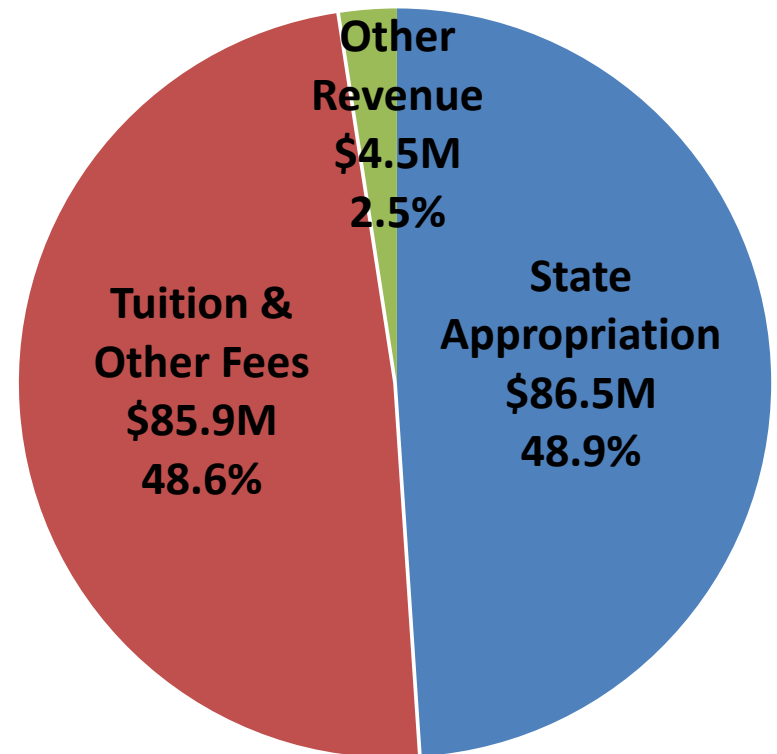
# *Operating Fund Revenue Sources*

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

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



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



# Base Operating Fund Shortfall

## ***Base Shortfall History***

- Operating fund carry forward decreased from between \$34M & \$27M during 2011/12 to 2013/14 to \$13M in 2014/15.
- An analysis of spending identified base deficit of \$17.8M.
- Contributors to base shortfall:
  - Impacts of multi-year base budget cuts & need for basic programmatic support despite lack of base resources.
  - Not fully utilizing one-time, ongoing resources such as course fees, miscellaneous trust, lottery, foundation & other revenue.
  - Not fully recovering costs from auxiliary & enterprise partners.
  - The unintended consequence of our own success – Increased mean unit load resulting in reduced fee revenue.
- Additional base budget of \$12.4M approved to be funded.

## ***Base Shortfall Status***

- \$7.6M of the \$12.4M approved additional base has been funded, leaving approved base shortfall of \$4.7M.
- Operating fund carry forward has stabilized to just under 7% of base operating budget. Nearly half is in centrally monitored accounts.

<b>Division/Dept.</b>	<b>Base Shortfall 7/1/17</b>	<b>Base Shortfall as % of Base Budget</b>
Academic Affairs	(1,300,747)	2.54%
Admin & Finance	(82,383)	0.66%
UA	(547,933)	17.91%
IT	(1,342,118)	23.17%
President's Office	(17,395)	1.42%
Athletics	(821,551)	39.23%
Student Affairs	(104,132)	1.42%
Centrally Monitored	(448,914)	0.27%
	<b>(4,665,172)</b>	<b>1.87%</b>

# Strategic Use of New Revenue

# *Allocations In Support of Strategic Goals*

STRATEGIC GOAL	NEW FUNDING ALLOCATED SINCE 2014
Outstanding Academic Programs	\$8.5M
Focus on Student Success	\$8.7M
Innovative Learning Environment	\$3.8M *
Sustainable Financial Strenth	\$561K
Administrative Excellence	\$1.2M
Notable Points of Distinction	\$1.5M

See 2017 WSCUC institutional report for additional detail <https://www.csudh.edu/Assets/CSUDH-Sites/Academic-Affairs/docs/accreditation/CSUDH%20WSCUC%20Institutional%20Report%202017.pdf>

\*Does not include campus contributions to new science building and innovation instruction and CBAPP building, which total more than \$30M.



# Student Success Fee

# *Student Success Fee Revenue & Expenses*

- Implemented over five academic years beginning spring 2015. Increases \$35 per semester through fall 2018—\$280 semester/\$560 academic year.
- Annually, the campus has committed operating funds in advance of Student Success Fee revenue. 100% of Student Success Fees have been used to support approved program expenses.

	<b>FY 2014/15</b>	<b>FY 2015/16</b>	<b>FY 2016/17</b>
Student Success Fee Revenue	439,164	2,373,980	4,272,130
Operating Fund Transfer	222,097	473,753	174,535
<b>Total Revenue</b>	<b>661,261</b>	<b>2,847,733</b>	<b>4,446,665</b>
Student Success Fee Expenses	661,262	2,847,553	4,446,665

- 2018/19 new base Student Success Fee revenue to be allocated: \$1.1M

**FY 2016/17**  
**Operating Fund Budget & Fund Balances**

**FY 2017/18**  
**New Operating Fund Revenue**

# ***FY 2016/17 Operating Fund Budget***

<b>Division</b>	<b>Budget</b>
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	75,491,044
	<hr/>
	<b>Total \$162,295,764</b>

## ***FY 2016/17 Fund Balances***

Operating Fund	12,155,816
Course, Lab, Testing, User Fees	1,342,592
Health Services Fee	(1,219,861)
Health Facilities Fee	1,265,973
Lottery Fund	48,487
Continuing Education Fund	11,275,921
Continuing Education-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	210,868
MT-Innovation Grant Fund	1,019,037
<b>Total</b>	<b><u>\$38,256,196</u></b>

# ***FY 2017/18 New Operating Fund Revenue***

	Base	One-time
<b><u>Student Tuition &amp; State Revenue Adjustments</u></b>		
2% Enrollment Growth	2,300,000	
Graduation Initiative 2025	2,952,000	732,000 <sup>1</sup>
Compensation and Benefits	3,986,000	
Research, Scholarly & Creative Activity		72,172
Campus Infrastructure Improvement		600,000
State University Grants	1,809,000	
Tuition Increase-FTES Above Target (4.5%)	132,000	
Non-Resident Tuition Increase (\$372 to \$396)	476,000	
Miscellaneous Fee Revenue Adjustment	(80,000)	
<b>Total Tuition &amp; State Revenue Adjustments</b>	<b>11,575,000</b>	<b>1,404,172</b>
<b><u>Campus Revenue Relocation</u></b>	296,611	3,396,684
<b>Total 17/18 Revenue Adjustments</b>	<b>11,871,611</b>	<b>4,800,856</b>

<sup>1</sup> Includes \$140K for Developmental Math and English Course Restructuring; \$260K for Data Driven Decision-Making or Financial Support and Literacy; \$472K Additional 2025 Grad Initiative Funding in Governor's Approved Budget. 22

# ***FY 2017/18 Mandatory Costs & Earmarks***

<u><b>Mandatory Costs</b></u>	<b>Base</b>	<b>One-time</b>
Risk Management Increase		(143,828)
Faculty CBA Compensation Increase	(2,184,500)	-
Staff/Non-Faculty CBA Compensation Increases	(1,257,400)	-
State University Grant (SUG)	(1,809,000)	-
Benefit Cost Increases	(505,000)	-
<b>Total Mandatory Costs</b>	<b>(5,755,900)</b>	<b>(143,828)</b>
<u><b>Earmarked Allocations</b></u>		
Restructuring Developmental Math & English	-	(140,000)
Research, Scholarly & Creative Activity	-	(72,172)
Campus Infrastructure Improvement	-	(600,000)
President's Initiatives	-	(1,000,000)
<b>Total Earmarked Allocations</b>	<b>-</b>	<b>(1,812,172)</b>
<b>Total Mandatory Costs &amp; Earmarks</b>	<b>(5,755,900)</b>	<b>(1,956,000)</b>
<b>Balance Remaining After Mandatory Costs &amp; Earmarks</b>	<b>6,115,711</b>	<b>2,833,318</b>

## ***2017/18 Priorities & Challenges***

- Strategies for addressing remaining \$4.7M base shortfall
  - Need to be diligent in allocating funding to close shortfall
  - Continued use of non-operating funding to support program expenses
  - \$12.4M base shortfall did not include benefits or student assistant costs
- Investing in strategic goals.
- Implications of non-impaction, over enrollment & mean unit load increases.
- Multi-year budget strategies for some initiatives.
- Base deficit in student health center.
- Salary increases in non-operating fund sources.
- The speed and cost of technology changes coupled with additional capital funding needs.
- Need to grow revenue.
- Additional emphasis on communication & transparency.



# Capital Project Funding

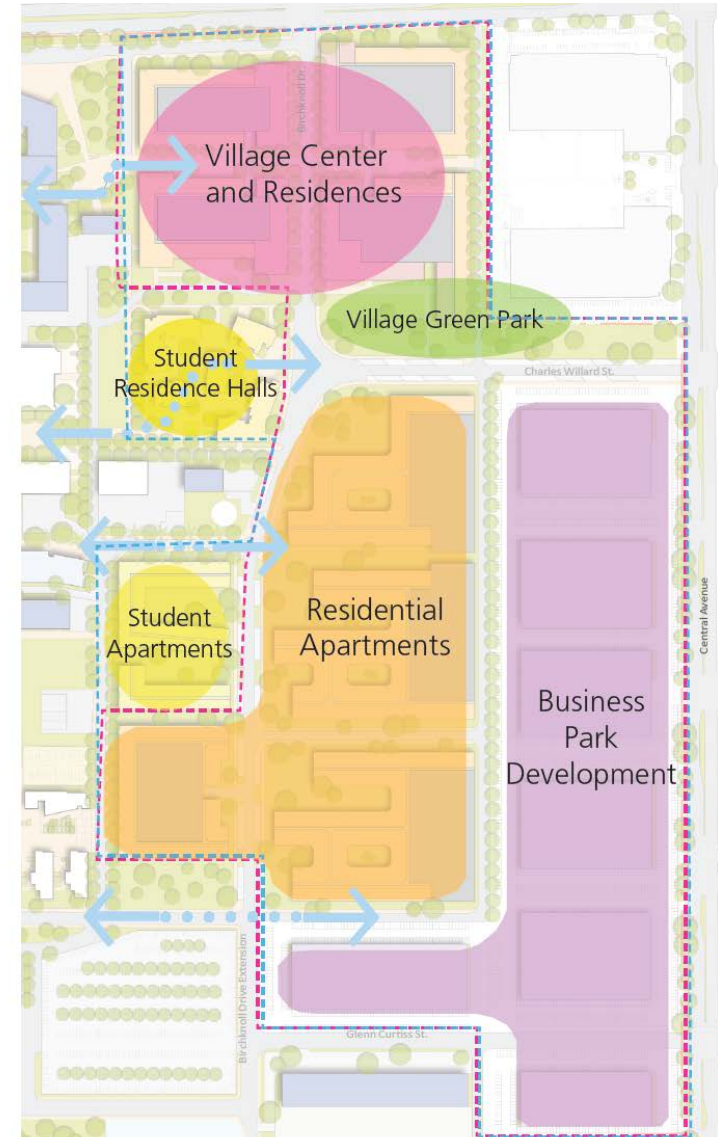
## ***New Building Costs***

- Science & Innovation \$82M. Campus responsible for \$15M (includes \$4M donation from Toyota).
- Innovation, Instruction & CBAPP \$83.5M. Campus responsible for \$15M plus \$1M annual commitment from P3 University Village.
- Student Housing \$56M. 100% student housing fees.



# University Village

- Concept approved by the CSU BOT in September.
- Public Private Partnership (P3) projected to generate \$7M annually to advance mission.
- Phased mixed use, including:
  - 2,000 market-rate residential rental units
  - 94,300 sq. ft. ground floor retail
  - 33 acres of business park
  - 1.1 acre park
- Student residence halls & apartments integrated into Village but not P3 development.



## *Examples of Other Capital Needs*

- LaCorte Hall
- NSM Renovation
- Library Renovation
- SBS Renovation
- University Theatre
- Gymnasium

# Additional Resources

## *OpenGov.com*

- Cloud based, easy-to-use application that promotes more open, effective and accountable financial management.
- Over 1,500 public agencies from 48 states use the application to achieve better budgeting, improved reporting, comprehensive transparency, and open data sharing.
- CSUDH joined OpenGov in October 2016.
- Upcoming workshops:
  - Monday, November 13 10-11:30 am
  - Monday, December 4 10-11:30 am

Register for workshops via the University Business Institute (UBI)

<https://www.csudh.edu/ubi/>

## ***Academic Affairs Budget Presentations***

- Academic Affairs Council: Tuesday, November 14
- Followed by College-specific presentations throughout the Fall

## ***Spring 2018 Budget Town Hall***

- Late March/early April 2018

# ***Additional Budget Information***

- CSUDH Budget Administration
  - Budget and Management Reports  
<http://www4.csudh.edu/budget-plan-admin/bm-reports/index>
  - Town Hall Budget Presentations  
<http://www4.csudh.edu/budget-plan-admin/budget-presentation/index>
  - UBC Presentations and Recommendations  
<http://www4.csudh.edu/budget-plan-admin/ubc/index>
  - Student Success Fee Webpage  
<http://www4.csudh.edu/budget-plan-admin/student-success-fee/index>
  
- CSU Budget Office
  - <http://www.calstate.edu/budget/>



# Q&A