

# University Budget Committee

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May 7, 2021

**CSUDH**

DIRECTORY

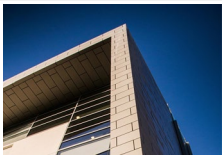
**CSUDH**

CALIFORNIA STATE UNIVERSITY  
DOMINGUEZ HILLS

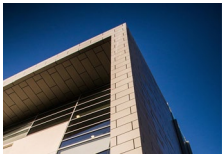


# Agenda

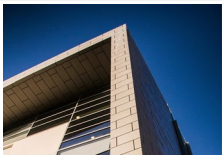
- I. 2021-22 Funding Restoration
- II. April Actuals/Estimated Year End Close 2020-21
- III. Reserve Policy



# 2021-22 FUNDING RESTORATION



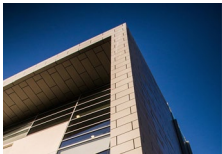
- The University Budget Committee Charge outlines two responsibilities within their scope:
  - 1) They will make allocation recommendations for uses of new funding
  - 2) They will review financial reports and updates to maintain fiscal transparency



# 21-22 Funding Restoration

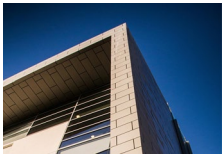
- The bulk of funding allocated to CSUDH for 2021-22 is not new, but rather a **restoration** of the prior year's cut
- There are also allocations that will be made for mandatory costs (*italicized below*), which means the use of those funds are dictated by the Chancellor's Office

<i>Compensation</i>	\$ 58,000
<i>Health Premiums</i>	\$ 669,000
<i>New Space Funding</i>	\$ 2,205,000
<i>Retirement Adjustment</i>	(\$ 1,141,000)
Funding Restoration	\$ 8,785,000



# 21-22 Funding Restoration

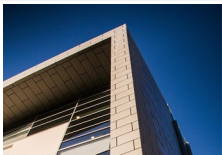
- Since there is no new funding to allocate UBC will act in a review and consulting capacity to maintain transparency
  - This model is consistent with prior years in which mandatory expenses were automatically funded, and any remaining new funding was discussed at UBC



# Message from Cabinet

- The message below from Cabinet seeks to add transparency to the restoration of funding in the Tier I requests:

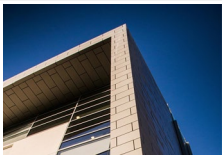
“The attached list of funding requests has been deemed the highest priority collaboratively by the President’s Cabinet. While we continue to pursue a transformational approach to budgeting, we must also acknowledge the systemic underfunding of the campus, in addition to the budget reduction in the 20-21 fiscal year. It is imperative to address the funding holes in the foundation of the University before we can expand the programs of the campus. The Tier I items shared are all foundational items which require immediate funding in the 21-22 fiscal year.”



# Tier I Requests

Commitment and description	Base Cost	1x Cost
I&I Annual Loan Payment	\$ 991,000	
Make Benefits pool whole	\$ 4,000,000	
General Operating Expense	\$ 1,427,915	
Travel	\$ 555,351	
Staff Pools	\$ 1,162,956	\$ 5,000
Student Assistants	\$ 447,018	
Associate Registrar	\$ 108,720	
Victims Advocate (SSP IV) should be from centrally monitored funds	\$ 96,960	
Athletics Scholarships (FY20)	\$ 115,599	
Athletics Scholarships (FY19)		\$ 93,244
*Software & IT	\$ 591,382	\$ 444,563
<b>Total Tier I</b>	<b>\$ 9,496,901</b>	<b>\$ 542,807</b>

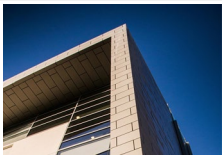
\*Restorations in the baseline budget, not funded by CARES





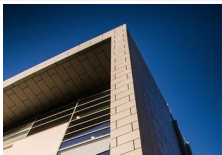
# Continued Review

- Due to the anticipated addition of almost \$5M in mandatory costs in the 21-22 year, the list of Tier I items exceeds the current anticipated Budget Restoration
- Cabinet will continue to evaluate and prioritize the list in order to determine which lines will be funded.



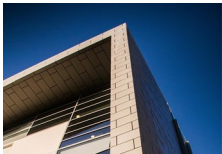
# 2021-22 Funding Requests

- Tier II and Tier III priorities will be maintained throughout the year.
- There is value in creating a list of priorities beyond the UBC Budget Review process:
  - We have a better understanding of what the TOTAL needs of the campus are
  - We can maximize all-funds budgeting, and fund items on the list that may not have been able to be funded otherwise
  - If additional funding becomes available throughout the year, we have already determined the top campus priority

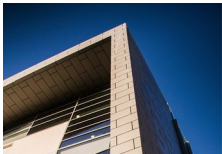


# Action Item

- Next Steps:
  - UBC will prepare a memo to the President with recommended budget action for the 20-21 year
- Recommendation: Approval of Tier I Requests



# APRIL ACTUALS/ESTIMATED YEAR-END CLOSE

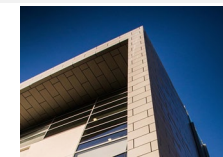
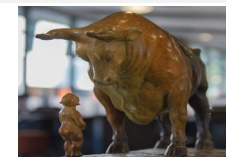




# April Actuals

Division	Original Budget	Revised Budget	Actuals (July-Apr)	Projected Actuals (May-June)	Encumbrances	Projected YE Actuals	Projected YE Balance
ACADEMIC AFFAIRS	\$ 63,134,546	\$ 65,473,057	\$ 53,414,789	\$ 11,452,518	\$ 299,454	\$ 65,166,762	\$ 306,295
ADMIN AND FINANCE	\$ 15,166,381	\$ 16,901,934	\$ 12,793,483	\$ 2,584,737	\$ 1,084,395	\$ 16,462,615	\$ 439,319
ADVANCEMENT	\$ 2,953,660	\$ 4,300,070	\$ 1,871,182	\$ 382,337	\$ 226,224	\$ 2,479,743	\$ 1,820,327
INFO TECHNOLOGY	\$ 9,172,737	\$ 11,125,903	\$ 12,386,822	\$ 209,297	\$ 1,923,446	\$ 14,519,566	\$ (3,393,662)
PRESIDENTS	\$ 3,155,873	\$ 3,818,640	\$ 2,273,084	\$ 433,224	\$ 132,536	\$ 2,838,844	\$ 979,795
STUDENT AFFAIRS	\$ 11,363,515	\$ 11,347,490	\$ 8,561,397	\$ 1,895,709	\$ 184,249	\$ 10,641,354	\$ 706,135
CENTRALLY MONITORED	\$ 88,230,706	\$ 101,655,299	\$ 80,590,843	\$ 9,864,301	\$ 638,058	\$ 91,093,201	\$ 10,562,098
<i>Benefits</i>	\$ 46,651,831	\$ 45,558,094	\$ 41,333,188	\$ 8,591,783	\$ -	\$ 49,924,971	\$ (4,366,877)
<i>Utilities</i>	\$ 3,278,078	\$ 3,344,527	\$ 1,732,921	\$ 346,584	\$ 159,750	\$ 2,239,255	\$ 1,105,273
<i>Financial Aid</i>	\$ 32,299,701	\$ 32,814,797	\$ 30,479,245	\$ 2,335,552	\$ -	\$ 32,814,797	\$ -
<i>Other CM</i>	\$ 6,001,096	\$ 19,937,880	\$ 7,045,489	\$ (1,409,619)	\$ 478,307	\$ 6,114,178	\$ 13,823,702
<b>TOTAL</b>	<b>\$ 193,177,417</b>	<b>\$ 214,622,392</b>	<b>\$ 171,891,600</b>	<b>\$ 26,822,123</b>	<b>\$ 4,488,362</b>	<b>\$ 203,202,085</b>	<b>\$ 11,420,307</b>

\* April hasn't officially closed; these figures are subject to change



# April Actuals

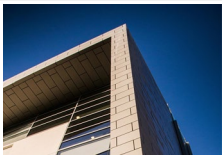
Revenue	Original Budget	Revised Budget	Actuals (July-Apr)	Projected Actuals (May-June)	Encumbrances	Projected YE Actuals	Projected YE Balance
Student Fees	\$ (86,994,000)	\$ (86,994,000)	\$ (94,281,354)	\$ -	\$ -	\$ (94,281,354)	\$ 7,287,354
Cost Recovery	\$ (2,790,417)	\$ (2,790,417)	\$ (583,246)	\$ (2,207,171)	\$ -	\$ (2,790,417)	\$ 0
Total	\$ (89,784,417)	\$ (89,784,417)	\$ (94,864,601)	\$ (2,207,171)	\$ -	\$ (97,071,772)	\$ 7,287,355

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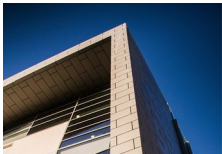


# 20-21 Estimated Year End

Current Projected CM YE (w/no transfers)*	\$ 10,562,098
Plus Over Revenue	\$ 7,287,355
<i>Anticipated YE "Reserve"</i>	<i>\$ 17,849,453</i>
Hold: Comitted CM Funds	\$ 2,418,160
Transfer to I&I	\$ 1,500,000
Transfer to Library Moves	\$ 1,500,000
Clear IT Deficit	\$ 3,393,662
Clear Student Health Center Deficit	\$ 550,000
Hold: Future Reserve	\$ 4,500,000
<i>Total Current Commitments</i>	<i>\$ 13,861,822</i>
<b>Uncomitted "Reserve"</b>	<b>\$ 3,987,630</b>



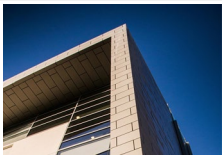
# RESERVE POLICY





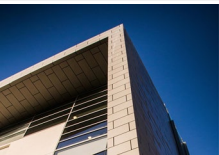
# Reserve Policy

- The Chancellor's Office recommends campuses maintain an Operating Fund reserve of 25%-50% of annual operating budget
- For DH this would amount to \$48M-\$96M
  - DH started the 20-21 year with a reserve of \$5M
- The Reserves Policy doesn't provide any additional guidance on what categories of reserves a campus should maintain



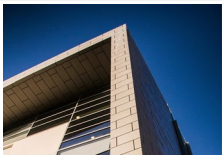
# Reserve Policy

- The draft reserve policy would create the following Reserve categories and goals for the Operating Fund:
- **Operating Reserve Target:** 25% of Base Budget Expenditures
- **Maintenance Reserve Target:** 1% of Current Replacement Value (CRV) of campus facilities
- **Capital Reserve Target:** 10% of the cost of all capital projects included in the CSU Five-Year Capital Improvement Plan
- **Equipment Reserve Target:** 10% of Current Replacement Value (CRV) of capitalized equipment.



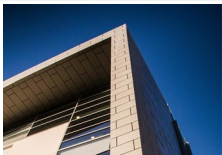
# Reserve Policy

- The draft policy outlines the funding source of the reserve will be the carryforward balance from the Centrally Monitored division, and other fund sources as deemed appropriate by the President.
- Unless otherwise outlined, new reserve funds will be proportionately distributed to the reserve categories based on the categories' remaining funding need.
- The President has the discretion to allocate funds outside of this distribution to address strategic priorities.



# Action Item

- Next Steps:
  - UBC can endorse the guidelines outlined in the Draft Operating Fund Reserve Policy
  - Consistent with the policy to approve Presidential Memos, the VP for Administration & Finance will share the draft policy with Cabinet for feedback
  - Feedback will be reviewed and integrated into the final version of the policy, which will be forwarded to the President for approval





## Q&A

