

University Budget Committee

March 22, 2019

Agenda

- I. Welcome
- II. FY18/19 and FY19/20 Allocations Approved by President Parham
- III. Governor's January FY19/20 Budget Proposal for CSU
- IV. CSU FY19/20 Preliminary Budget Allocations
- V. CSUDH FY19/20 Preliminary Budget Projections & Commitments
- VI. Preliminary Potential Strategies to Maximize Available Funding
- VII. Additional Budget Considerations
- VIII. Future Meetings
- IX. Adjourn

Approved FY18/19 & FY19/20 Allocations

New Approved Funding

- President Parham approved both FY18/19 and FY19/20 UBC-recommended budget allocations without modifications/changes at the end of January.
- Approved FY18/19 allocations for new positions* will occur as positions are filled. Salary savings derived from new positions will be held centrally to fund one-time needs reflected in the FY18/19 revenue projections and budget allocations recommended by UBC and approved by President Parham.
- Funding for all other FY18/19 approved allocations has been transferred to divisions.

*As previously discussed with UBC, funding for new IT data analytics and application development positions has been allocated to the IT Division and is not held centrally. Salary savings from these unfilled positions will be used to fund campus IT priorities.

FY18/19 New Approved Funding

			FY 2018/19		
			AADHT Base	AADHT One-Time	Total AADHT
Funding Source					
Funding Available			3,030,728	1,036,660	4,067,388
Balance			454	276,223	276,677
Division	Commitment and description	Strategic Plan Goal/Objective	FY 2018/19		
			AADHT Base	AADHT One-Time	Total AADHT
CM	Base Funding Shortfall Mitigation	Goal 4. Sustainable Financial Strength	1,610,000	-	1,610,000
CM	One-Time Base Shortfall Mitigation	Goal 4. Sustainable Financial Strength	-	203,437	203,437
CM	Mass Notification Rooftop Speakers	Goal 5. Administrative Excellence	-	65,000	65,000
CM	Early Start Student Support	Goal 2. Focus on Student Success	-	120,000	120,000
CM	Discover Dominguez	Goal 6. Notable Points of Distinction	-	197,000	197,000
CM	Presidential Investiture	Goal 6. Notable Points of Distinction	-	50,000	50,000
CM	Institutional Marketing (Radio)	Goal 6. Notable Points of Distinction	-	50,000	50,000
Total Centrally Monitored			1,610,000	685,437	2,295,437
AA	Resource Reporting Analyst	Goal 3. Innovative Learning Environment	110,000	-	110,000
AA	Advising Director & 3 Advisors*	Goal 2. Focus on Student Success	345,000	-	345,000
<i>*Reduces AA base deficit</i>					
Total Academic Affairs			455,000	-	455,000
SA	EOP Advisor	Goal 2. Focus on Student Success	87,500	-	87,500
SA	ETE Academic Advisor	Goal 2. Focus on Student Success	71,774	-	71,774
SA	EOP Advisor	Goal 2. Focus on Student Success	95,000	-	95,000
Total Student Affairs			254,274	-	254,274
AF	Risk Manager	Goal 4. Sustainable Financial Strength	150,000	-	150,000
AF	Safety Specialist/Trainer	Goal 5. Administrative Excellence	85,000	-	85,000
AF	Police Evidence Control Specialist	Goal 5. Administrative Excellence	58,500	-	58,500
AF	Senior Budget Analyst	Goal 4. Sustainable Financial Strength	118,500	-	118,500
AF	EHS Testing Equipment	Goal 5. Administrative Excellence	-	20,000	20,000
AF	EHS Electric Vehicle	Goal 5. Administrative Excellence	-	20,000	20,000
AF	Electric & Push Carts-Mail Room	Goal 5. Administrative Excellence	-	25,000	25,000
AF	Vehicle & Equipment (Loan)	Goal 5. Administrative Excellence	90,000	-	90,000
AF	Chemical Invent. /Inspect. Licenses	Goal 5. Administrative Excellence	10,000	-	10,000
Total Administration & Finance			512,000	65,000	577,000
UA	UA Support Coordinator	Goal 6. Notable Points of Distinction	64,000	5,000	69,000
UA	Director of Public Affairs	Goal 6. Notable Points of Distinction	135,000	5,000	140,000
Total University Advancement			199,000	10,000	209,000
Total Recommended			3,030,274	760,437	3,790,711

FY19/20 New Approved Funding

			FY 2019/20
Division	Commitment and description	Strategic Plan Goal/Objective	AADHT Base
AA	Sponsored Research Analyst	Goal 4. Sustainable Financial Strength	117,000
		Total Academic Affairs	117,000
Pres	Chief Diversity Officer Salary Differential	Goal 6.C.3 Support Diversity	64,000
Pres	Diversity, Harassment & Retaliation (DHR) Officer	Goal 6.C.3 Support Diversity	152,000
		Total President's Division	216,000
AF	Facilities Space Planner	Goal 3. Innovative Learning Environment	85,000
AF	Community Service Officers	Goal 5. Administrative Excellence	94,312
AF	Theatre Maintenance Technician	Goal 5. Administrative Excellence	70,000
AF	Chemical Invent. /Inspection Licenses	Goal 5. Administrative Excellence	20,000
		Total Administration & Finance	269,312
UA	UA Development Coordinator	Goal 6. Notable Points of Distinction	64,000
		Total University Advancement	64,000
		Total	666,312

Governor's January FY19/20 Budget Proposal for CSU

Governor's FY19/20 January Budget Proposal for CSU

\$300 million in new recurring funds:

- \$193 million compensation increases & mandatory costs.
- \$62 million for enrollment growth (2% vs. requested 5%).
 - 7,295 FTES
- \$45 million for graduation initiative vs. \$75 million.
- \$250,000 for project rebound.
- \$7 million to Dept. of Social Services to support CSU students & employees with legal immigration assistance now base.

Governor's FY19/20 January Budget Proposal *(continued)*

- \$247 million one-time (vs. base) for deferred maintenance & expansion of on-campus childcare.
- \$15 million one-time to support the Basic Needs Initiative, which addresses student food insecurity and homelessness
- \$121.6 million increase to Cal Grant for parent-students & increases in Cal Grant A & B awards up to \$6K, Cal Grant C awards up to \$4K. \$9.6 million for additional competitive Cal Grants for a total of 30,000 awards.
- \$2 million one-time for CO to undertake a review of a potential CSU campus in San Joaquin County, likely in Stockton.

Governor's FY19/20 January Budget Proposal *(continued)*

Expectations:

- Tuition will remain unchanged.
- Enrollment will be increased.
- Time to degree will be improved.
- In-depth conversation between the Administration & the Trustees regarding four broad goals:
 - Providing fiscal certainty for students and their families
 - Increasing access and improving student success
 - Creating a more cost-efficient CSU
 - Improving the link between higher education and skills needed for the economy now and in the future

CSU Preliminary FY19/20 Budget Allocation Memo

https://www2.calstate.edu/csu-system/about-the-csu/budget/Documents/fy-budget-coded-memos/B_2019-01_Preliminary_Budget_Allocations_Memo.pdf

FY19/20 Enrollment Increase Allocations

- 6,929 of 7,295 new FTES allocated to campuses.
- Holds 366 centrally to allocate in the final budget memo when better info. is available on redirected student enrollment.
- \$12.6 million of enrollment funding recognizes increasing AUL also increases costs but does not generate additional tuition revenue.

Funding is distributed based on campus pro-rata share of undergraduate average unit load (AUL) improvements fall 2016 to fall 2018.

FY19/20 Graduation Initiative Allocations

FY19/20 Graduation Initiative 2025 funds allocated as follows:

- \$15 million base increases of \$625,000 per campus & CO for system-wide provisions managed centrally.
- \$25 million based on the number of students eligible for Pell in 2017-18.
- \$5 million for progress on leading indicators to close equity gaps, based on AUL increases by underrepresented minority students fall 2016 to fall 2018.

The methodology acknowledges differing levels of financial investment will be required to eliminate equity gaps.

The methodology is not intended to serve as a campus expenditure plan. Each campus may use funds in support of their graduation initiative goals, including offering additional high-demand course sections to increase average unit load and additional academic and student support services.

CSUDH Preliminary FY19/20 Budget Projections

CSUDH Preliminary FY19/20 Budget Adjustments*

State Revenue & Tuition Adjustments		
<u>Mandatory Costs & Earmarks</u>	Base	One-Time
Compensation and Benefits	4,954,000	-
Operations & Maintenance of New Facilities	1,273,000	-
Total Mandatory Costs/Earmarks	6,227,000	-
<u>Enrollment Growth & Graduation Initiative</u>		
Funded Enrollment Growth (379 FTES) - General Fund	2,738,000	-
Funded Enrollment Growth (379 FTES) - Tuition Revenue	1,553,000	-
Enrollment Funding-Average Unit Load Increase	496,000	-
Graduation Initiative 2025	1,899,000	-
Total Enrollment & Grad Initiative	6,686,000	-
Total State Revenue & Tuition Adjustments	12,913,000	-

Note: Compensation and Benefits includes:

\$4.0M compensation increases

\$193K health insurance increases

\$265K minimum wage increases

\$467K unfunded retirement costs above state funding levels

* https://www2.calstate.edu/csu-system/about-the-csu/budget/Documents/fy-budget-coded-memos/B_2019-01_Preliminary-Budget-Allocations_Attachments.pdf

CSUDH FY19/20 Commitments

Description	Base	One-Time
* Elimination of Residual Base Budget Deficit	1,816,300	
Presidential Initiatives		1,000,000
Deferred Maintenance (Year 3 of 4)	250,000	
Campus Technology Refresh/IT Equipment Loan (Year 2 of 4)		450,000
Science & Innovation Building Group II Equipment Loan (Year 2 of 7)		600,000
Innovation Instruction & CBAPP Building Contribution (Year 2 of 4)		1,400,000
ALC Loan (Year 4 of 5)		292,719
FY19/20 Base Funding Priorities Approved January 2019	666,312	
Total	2,732,612	3,742,719

* Remaining base deficit adjusted to \$1,967,835

Base Deficits* After FY 18/19 Allocations

DIVISION	DEFICITS AFTER FY17/18 ALLOCATIONS	FY18/19 ALLOCATIONS TOWARDS DEFICITS	REMAINING DEFICITS
ACADEMIC AFFAIRS	\$ (1,450,747.00)	\$ 678,477.00	\$ (772,270.00)
ATHLETICS	\$ (571,551.00)	\$ 571,551.00	\$ -
IT	\$ (1,342,118.00)	\$ 350,000.00	\$ (992,118.00)
CENTRALLY MONITORED	\$ (443,447.00)	\$ 240,000.00	\$ (203,447.00)
	\$ (3,807,863.00)	\$ 1,840,028.00	\$ (1,967,835.00)

*Reflects additional revenue needed to fund base deficit elimination approved by President Hagan

Preliminary Projections After Earmarks & Commitments

Revenue After Mandatory Costs/Earmarks	Base	One-Time
New Enrollment & Grad Initiative	6,686,000	-
Total Revenue After Mandatory Costs	6,686,000	
Expenses/Commitments	Base	One-Time
Base Budget Deficit	(1,967,835)	-
Presidential Initiatives	-	(1,000,000)
Deferred Maintenance	(250,000)	-
IT Refresh Loan	-	(450,000)
S&I Equipment Loan	-	(600,000)
II Buidling Contribution	-	(1,400,000)
ALC Loan	-	(292,719)
FY19/20 Base Funding Priorities	(666,312)	-
Centrally-Monitored Commitments		(877,955)
Total Expenses/Commitments	(2,884,147)	(4,620,674)
Balance Available for Allocation	3,801,853	(4,620,674)

Does include funding for new T/TT faculty or additional sections to accommodate enrollment growth

Preliminary Projections After Potential Instructional Costs*

* This information is provided only for illustration purposes. Further analysis is required to accurately estimate potential FY20/21 T/TT faculty position costs and additional section requirements.

	Base	One-Time
Balance After Earmarks & Commitments	3,810,823	(4,620,674)
Preliminary Instructional Costs/Needs		
20 T/TT Faculty FY 20-21 Base Set-Aside	(2,815,912)	
Additional Sections		(1,500,000)
Adjusted Balance Available for Allocation	994,911	(\$6,120,674)

Preliminary Potential Strategies to Maximize Available Funding

Preliminary Potential Strategies to Maximize Available Funding*

* This information is provided only for illustration purposes. Further analysis is required to accurately estimate potential campus revenue adjustments, including over enrollment tuition revenue, FY18/19 carryforward, and salary savings from FY20/21 T/TT faculty positions.

Revenue After Mandatory Costs/Earmarks + <u>Preliminary Potential</u>* Campus Revenue Adjustments	Base	One-Time
New Enrollment & Grad Initiative	6,686,000	
Minimum Wage Increases	265,000	
New Facility Maintenance	-	636,500
Over Enrollment-Tuition Revenue		1,370,000
FY18/19 Carryforward		3,692,174
Salary Savings FY20/21 T/TT Faculty Positions Base Set-Aside		2,815,912
Total	6,951,000	8,514,586

Preliminary Potential Strategies to Maximize Available Funding*

(continued)

Expenses/Commitments	Base	One-Time
20 T/TT Faculty Positions FY20/21 Base Set-Aside	(2,815,912)	
Additional Sections		(1,500,000)
Base Budget Deficit	(1,967,835)	-
Presidential Initiatives	-	(1,000,000)
Deferred Maintenance	(250,000)	-
IT Refresh Loan	-	(450,000)
S&I Equipment Loan	-	(600,000)
II Buidling Contribution	-	(1,400,000)
ALC Loan	-	(292,719)
FY19/20 Base Funding Priorities	(666,312)	-
Centrally-Monitored Commitments		(877,955)
Total Expenses/Commitments	(5,700,059)	(4,620,674)
Balance Available for Allocation	1,250,941	3,893,912

* This information is provided only for illustration purposes. Further analysis is required to accurately estimate potential campus revenue adjustments, including over enrollment tuition revenue, FY18/19 carryforward, and salary savings from FY20/21 T/TT faculty positions. The \$887,955 CM commitments increased by \$292,719 from FY 18/19 due to a second annual ALC loan payment not previously included in the CM budget.

Questions?

Additional Budget Considerations

Additional Considerations: Health Services Deficit

- Student health and psychological services is funded via a mandatory health services fee. The CSUDH health services fund has had a deficit for several years and this deficit continues to increase.
- At the end of FY18/19, a deficit in the health services fund of \$3.0 million is projected.
- Absent a strategy to increase revenue and/or reduce expenses, this deficit will continue to grow by approximately \$1 million annually. CSUDH has not increased the health services fee since 2005. Increasing the fee requires a student referendum or approval by the President following “alternate consultation” with students and other campus constituents.
- A deficit in the health services fund must be off-set on the University’s financial statement by a positive year-end balance in the state operating fund. This negatively impacts reported campus reserves and may potentially jeopardize future financing of projects.

Additional Considerations: Student Success Revenue

- Analysis of current and prior-year funding allocated to CSUDH by the Chancellor's Office (CO) for faculty and staff salary increases (i.e., GSIs) identified salary increase funding was provided for positions funded via student success fee revenue.
- Prior student success fee revenue and expense estimates presented to UBC did not reflect this centrally-funded salary increase revenue for positions funded via student success fees and assigned responsibility for these increases to student success fees.
- The budget office is finalizing its analysis of salary increase funding previously assigned to student success fees that will now be funded via revenue allocated by the CO for these increases.
- Student success fee revenue previously assigned to these salary increases will be available to fund other campus student success needs and priorities.

Future Meetings

Friday, April 12, 2019

FY19/20 CSUDH Campus Revenue Projections

- State Operating Fund
- Student Success Fees

Preliminary Funding Needs & Priorities

- State Operating Fund
- Student Success Fees

Friday, May 3, 2019

FY19/20 Funding Needs & Priorities

- State Operating Fund
- Student Success Fees

UBC Preliminary FY19/20 Recommendations

- State Operating Fund
- Student Success Fees

* 3-5pm in the President's Office Large Conference Room (WH D 444)

Adjourn