

University Budget Committee

March 23, 2018

Agenda

- I. Welcome
- II. Budget Allocations Approved by President Hagan
- III. Review and Approve Minutes from December 1st
- IV. CSUDH 17/18 Second Quarter Reports
 - Operating Fund
 - Student Success Fund
 - Other Funds
- V. State of CSU 2018/19 Budget
- VI. Multi-year Budget Model
- VII. Strategic Budgeting
- VIII. Future Meetings
- IX. Additional Q & A
- X. Adjourn



Approved Budget Allocations

- \$250K University Incubator funding via State Operating Funds rather than Student Success Fees.
- \$250K in new tenure/tenure faculty hiring to be funded via Student Success Fees rather than the State Operating Fund.
- \$100K for EAB to be funded via State Operating Fund rather than Student Success Fees.
- \$100K for additional faculty salary/benefits costs to be funded by Student Success Fees rather than State Operating Funds.
- Funding for newly approved 17/18 positions will be allocated when positions are filled rather than retro to beginning of the fiscal year
- Salary/benefit savings from newly approved 17/18 positions will be allocated towards campus contributions required for the new CBAPP building.

FY 2017/18
Second Quarter Balances

2017-18 CSUDH 2nd Quarter Report – Operating Fund

| Division | College/Department | Base Budget | Current Budget | Actuals | Encumbrances | Balance Available | % Used |
|-----------------------------------|---------------------|--------------------|--------------------|-------------------|------------------|-------------------|---------------|
| ACADEMIC AFFAIRS | CBAP | 6,920,967 | 7,157,083 | 4,109,713 | 15,119 | 3,032,251 | 57.63% |
| | CAA | 5,574,346 | 7,172,074 | 2,387,837 | 162,373 | 4,621,863 | 35.56% |
| | CAH | 10,640,773 | 10,673,694 | 6,181,231 | 9,794 | 4,482,670 | 58.00% |
| | CHHSN | 8,247,699 | 7,749,546 | 4,856,045 | (2,226) | 2,895,727 | 62.63% |
| | COE | 5,149,384 | 5,529,499 | 3,101,702 | 16,229 | 2,411,568 | 56.39% |
| | LIBRARY | 3,063,562 | 3,302,755 | 1,567,987 | 3,407 | 1,731,361 | 47.58% |
| | CNBS | 11,629,391 | 11,851,160 | 6,713,945 | 13,846 | 5,123,370 | 56.77% |
| ACADEMIC AFFAIRS TOTAL | | 51,226,122 | 53,435,812 | 28,918,460 | 218,542 | 24,298,810 | 54.53% |
| ADMIN AND FINANCE | | 12,421,816 | 14,718,122 | 6,618,963 | 1,038,052 | 7,061,107 | 52.02% |
| INFO TECHNOLOGY | | 5,820,084 | 7,003,946 | 3,177,268 | 693,453 | 3,133,224 | 55.26% |
| PRESIDENT'S DIVISION | PRESIDENT'S OFFICE | 1,242,670 | 1,489,897 | 685,455 | 45,130 | 759,312 | 49.04% |
| | PRES-MERVYN DYMALLY | 250,000 | 648,544 | 40,048 | - | 608,496 | 6.18% |
| | PRES_ATHLETICS | 2,100,849 | 2,294,906 | 1,703,177 | 108,780 | 482,949 | 78.96% |
| PRESIDENT'S DIVISION TOTAL | | 3,593,519 | 4,433,347 | 2,428,681 | 153,909 | 1,850,757 | 58.25% |
| STUDENT AFFAIRS | | 7,389,382 | 7,776,196 | 4,047,020 | 202,279 | 3,526,897 | 54.64% |
| UNIVERSITY ADVANCEMENT | | 3,104,377 | 3,815,435 | 2,069,862 | 478,358 | 1,267,215 | 66.79% |
| CENTRALLY MONITORED | | 82,527,434 | 87,009,692 | 50,221,721 | 128,952 | 36,659,020 | 57.87% |
| TOTAL | | 166,082,734 | 178,192,549 | 97,481,975 | 2,913,545 | 77,797,030 | 56.34% |

2017-18 CSUDH 2nd Quarter Report – Student Success Fund

| Division | College/ Department | Base Budget | Current Budget | Actuals | Encumbran ces | Balance Available | % Used |
|-------------------------------|------------------------|------------------|-------------------|------------------|------------------|----------------------|--------|
| ACADEMIC AFFAIRS | BAP | 208,308 | 214,558 | 113,234 | - | 101,324 | 52.78% |
| | CAA | 1,102,880 | 865,587 | 160,135 | - | 705,452 | 18.50% |
| | CAH | 260,436 | 327,155 | 127,788 | - | 199,367 | 39.06% |
| | CHHSN | 268,421 | 292,826 | 132,576 | - | 160,250 | 45.27% |
| | COE | 239,988 | 282,715 | 131,263 | - | 151,452 | 46.43% |
| | LIBRARY | 172,326 | 172,326 | 45,646 | - | 126,680 | 26.49% |
| | NBS | 260,411 | 355,808 | 134,990 | - | 220,818 | 37.94% |
| ACADEMIC AFFAIRS Total | | 2,512,770 | 2,510,975 | 845,632 | - | 1,665,343 | 33.68% |
| ADMIN AND FINANCE | | 190,000 | 190,000 | 2,383 | - | 187,617 | 1.25% |
| UNIVERSITY ADVANCEMENT | | 157,532 | 157,532 | 68,871 | - | 88,661 | 43.72% |
| INFO TECHNOLOGY | | 811,890 | 811,890 | 566,815 | - | 245,075 | 69.81% |
| PRESIDENTS'S DIVISION | PRES - Athletics | 370,488 | 373,793 | 128,297 | 13,975 | 231,521 | 38.06% |
| STUDENT AFFAIRS | | 1,338,348 | 1,341,746 | 628,926 | 5,912 | 706,908 | 47.31% |
| CENTRALLY MONITORED | Expense | 1,654,316 | 1,649,409 | 736,336 | - | 913,072 | 44.64% |
| | Base Reserv | (665,344) | (665,344) | - | - | (665,344) | 0.00% |
| TOTAL STUDENT SUCCESS | | 6,370,000 | 6,370,000 | 2,977,260 | 19,887 | 3,372,853 | 47.05% |

2017-18 CSUDH 2nd Quarter Report – Other Funds (Academic Affairs)

| Division | College | Current Budget | Actuals | Encumbrances | Balance Available | % Used Fiscal Year |
|--------------------------------------------------------|----------------------------|---------------------|---------------------|-------------------|---------------------|--------------------|
| ACADEMIC AFFAIRS - Division of Academic Affairs | BAP - College of Bus & | 1,788,753.05 | 1,478,151.12 | 36,018.92 | 274,583.01 | 85% |
| | CAA - CAA Total | 1,448,811.44 | (199,036.26) | 0.00 | 1,647,847.70 | (14%) |
| | CAH - College of Arts and | 125,191.66 | (63,951.45) | 2,163.15 | 186,979.96 | (49%) |
| | CHHSN - College Health & | 1,476,084.16 | 130,477.70 | 14,320.45 | 1,331,286.01 | 10% |
| | COE - College of Education | 953,146.99 | 68,814.99 | 66,076.93 | 818,255.07 | 14% |
| | LIBRARY - Library Total | 128,049.49 | 25,994.78 | 0.00 | 102,054.71 | 20% |
| | NBS - College Natural & | 603,658.49 | (220,243.90) | 6,504.40 | 817,397.99 | (35%) |
| ACADEMIC AFFAIRS - Division of Academic Affairs | | 6,523,695.28 | 1,220,206.98 | 125,083.85 | 5,178,404.45 | 21% |

2017-18 CSUDH 2nd Quarter Report – Other Funds (Non-Academic Divisions)

| Division | Fund Fdescr | Base Budget | Current Budget | Actuals | Encumbrances | Balance Available | % Used Fiscal Year |
|----------------------------|-------------------|---------------------|----------------------|---------------------|-------------------|----------------------|--------------------|
| ADMIN AND FINANCE | | 1,039,202.00 | 2,459,614.98 | 1,194,154.34 | 204,976.05 | 1,060,484.59 | 57% |
| ADVANCEMENT | | | 35,130.41 | 15,100.25 | 3,637.16 | 16,393.00 | 53% |
| CENTRAL | | 0.00 | 1,183,289.14 | (512,328.71) | 140,085.62 | 1,555,532.23 | (31%) |
| INFO TECHNOLOGY | | 105,468.00 | 1,443,906.52 | 407,067.43 | 47,037.89 | 989,801.20 | 31% |
| STUDENT AFFAIRS | | 259,198.00 | 1,637,856.32 | 376,215.26 | 40,532.63 | 1,221,108.43 | 25% |
| PRESIDENT'S Division | PRESIDENTS OFFICE | | 132,730.23 | 78,291.93 | 0.00 | 54,438.30 | 59% |
| | ATHLETICS | | 521,670.97 | (67,389.08) | 2,400.00 | 586,660.05 | (12%) |
| PRESIDENT'S Division Total | | | 654,401.20 | 10,902.85 | 2,400.00 | 641,098.35 | 2% |
| Total All Divisions | | 1,403,868.00 | 13,937,893.85 | 2,711,318.40 | 563,753.20 | 10,662,822.25 | 23% |

CSU 2018-19 Operating Budget

CSU 2018/19 Operating Budget

- The CSU 2018-19 Operating Budget Plan was approved by the Board of Trustees during November 2017.
- The 2018-19 budget plan included new resources totaling \$283M; \$263M from state general fund appropriations and \$20M from enrollment growth tuition revenue.
- The CSU 2018-19 operating budget plan represented a significant investment in a multi-year effort to help meet the education and workforce needs of the State. The five areas of investment are:
 - The Graduation Initiative 2025
 - Compensation increase for all employees
 - Enrollment growth of 1% (3,641 FTES)
 - Critical Infrastructure
 - Mandatory cost increases for health care, retirement and minimum wage.

CSU 2018/19 Operating Budget – Cont.

USES OF FUNDS

| | | |
|-------------------------------------------|------------|--------------------|
| Graduation Initiative 2025 | | 75,000,000 |
| Compensation | | 122,100,000 |
| One Percent Increase in Enrollment Growth | | 39,905,000 |
| Academic Facilities and Infrastructure | | 15,000,000 |
| Mandatory Cost Increases | | <u>30,888,000</u> |
| Health Benefits | 12,029,000 | |
| Retirement | 11,100,000 | |
| Minimum Wage Increase | 4,158,000 | |
| Maintenance of New Facilities | 3,601,000 | |
| TOTAL NEW USES | | 282,893,000 |

Governor's January Budget

- The Governor's January Budget proposed a 2018-19 general fund augmentation of \$92M for the CSU system, resulting in a significant budget shortfall to the CSU system of \$171M in appropriations.
- In an effort to close the budget gap, CSU will seek additional state funding.
- In absence of additional funding, CSU may pursue following strategies:
 - Reduce academic and non-academic programs and services
 - Cost avoidance, effectiveness and program re-allocation by each campus.
 - As a contingency, the CSU may consider a potential tuition fee increase for the 2018-19 academic year
- It is still very early in the budget development process and approaches and strategies remain open for State leaders, Trustees, the Chancellor, and campus leaders.

Impact of Potential Budget Shortfalls on CSUDH

| | | |
|----------------------------------------------|------------------|--------------------|
| SCENARIO 1 GOVERNOR'S BUDGET JAN 2018 | CSU TOTAL | CSUDH 2.56% |
| | \$ (171,000,000) | \$ (4,378,000) |

| | | |
|-------------------------------------------------|------------------|--------------------|
| SCENARIO 2: GRADUATION INITIATIVE FUNDED | CSU TOTAL | CSUDH 2.56% |
| | \$ (96,000,000) | \$ (2,458,000) |

| | | |
|------------------------------------------------|------------------|--------------------|
| SCENARIO 3: 1% ENROLLMENT GROWTH FUNDED | CSU TOTAL | CSUDH 2.56% |
| | \$ (131,095,000) | \$ (3,356,000) |

| | | |
|--------------------------------------------------------------------|------------------|--------------------|
| SCENARIO 4: GRAD INITIATIVE AND 1% ENROLLMENT GROWTH FUNDED | CSU TOTAL | CSUDH 2.56% |
| | \$ (56,095,000) | \$ (1,436,000) |

Multi-year Budget Model

WORKING DRAFT

Operational and Strategic Funding Needs

2018/19

Assumptions:

1% Funded Enrollment Growth
6% Over Enrolled (Unfunded)
SCC Occupant Moves & Related Facility Renovation
Offices for 25 New T/TT Faculty
Journalism Lab Relocation/Remodel (Accreditation)

| EXISTING COMMITMENTS | | | |
|----------------------|-------------------------------------------------------------------------------------|------------------|------------------|
| SP Goal/Objective | Description | Base | One-Time |
| | Elimination of Residual Base Budget Deficit* (Year 1 of 2) | 1,850,000 | |
| | Base Budget Deficit Mitigation (One-Time in Lieu of Base) | | 800,000 ** |
| | Presidential Initiatives | | 1,000,000 |
| | Data Analytics, Application Development & Digital Presence Initiative (Year 2 of 2) | 1,250,000 | |
| | Deferred Maintenance (Year 2 of 4) | 250,000 | |
| | Faculty Research, Scholarship & Creative Activities (Year 2 of 2) | 300,000 | |
| | Campus Technology Refresh/IT Equipment Loan (Year 1 of 4) | | 400,000 |
| | Science and Innovation Building Group II Equipment Loan (Year 1 of 7) | | 600,000 |
| | Innovation Instruction & CBAPP Building (Year 1 of 3) | | 1,400,000 |
| Total | | 3,650,000 | 4,200,000 |

| FUNDING FOR EXISTING ENROLLMENT/CAMPUS OPERATIONS | | | |
|---------------------------------------------------|-------------|------|----------|
| SP Goal/Objective | Description | Base | One-Time |
| | | | |
| | | | |
| | | | |
| | | | |
| Total | | | |

| PROJECTED ENROLLMENT GROWTH/NEW FACILITIES NEEDS | | | |
|--------------------------------------------------|-------------|------|----------|
| SP Goal/Objective | Description | Base | One-Time |
| | | | |
| | | | |
| | | | |
| | | | |
| Total | | | |

| OTHER STRATEGIC NEEDS/PRIORITIES | | | |
|----------------------------------|-------------|------|----------|
| SP Goal/Objective | Description | Base | One-Time |
| | | | |
| | | | |
| | | | |
| Total | | | |

TOTAL 2018/19

2019/20

Assumptions:

1% Funded Enrollment Growth
6% Over Enrolled (Unfunded)
Science & Innovation Building Completed for Spring 2020 Courses
NSM Fume Hood Removal & Lab/Classroom Remodel

| EXISTING COMMITMENTS | | | |
|----------------------|-----------------------------------------------------------------------|------------------|--------------|
| SP Goal/Objective | Description | Base | One-Time |
| | Elimination of Residual Base Budget Deficit (Year 2 of 2) | 1,850,000 | |
| | Base Budget Deficit Mitigation (One-Time in Lieu of Base) | | 300,000 ** |
| | Presidential Initiatives | | 1,000,000 |
| | Deferred Maintenance (Year 3 of 4) | 250,000 | |
| | Campus Technology Refresh/IT Equipment Loan (Year 2 of 4) | | 400,000 |
| | Science and Innovation Building Group II Equipment Loan (Year 2 of 7) | | 600,000 |
| | Innovation Instruction & CBAPP Building Contribution (Year 2 of 3) | | 1,300,000 |
| Total | | 2,100,000 | ##### |

| FUNDING FOR EXISTING ENROLLMENT/CAMPUS OPERATIONS | | | |
|---------------------------------------------------|-------------|------|----------|
| SP Goal/Objective | Description | Base | One-Time |
| | | | |
| | | | |
| | | | |
| | | | |
| Total | | | |

| PROJECTED ENROLLMENT GROWTH/NEW FACILITIES NEEDS | | | |
|--------------------------------------------------|-------------|------|----------|
| SP Goal/Objective | Description | Base | One-Time |
| | | | |
| | | | |
| | | | |
| | | | |
| Total | | | |

| OTHER STRATEGIC NEEDS/PRIORITIES | | | |
|----------------------------------|-------------|------|----------|
| SP Goal/Objective | Description | Base | One-Time |
| | | | |
| | | | |
| | | | |
| Total | | | |

TOTAL 2019/20

2020/21

Assumptions:

| EXISTING COMMITMENTS | | | |
|----------------------|-----------------------------------------------------------------------|----------------|--------------|
| SP Goal/Objective | Description | Base | One-Time |
| | Deferred Maintenance (Year 4 of 4) | 250,000 | |
| | Centrally Monitored Reoccurring Expense | 300,000 | |
| | Presidential Initiatives | | 1,000,000 |
| | Campus Technology Refresh/IT Equipment Loan (Year 3 of 4) | | 400,000 |
| | Science and Innovation Building Group II Equipment Loan (Year 3 of 7) | | 600,000 |
| | Innovation Instruction & CBAPP Building Contribution (Year 3 of 3) | | 1,300,000 |
| Total | | 550,000 | ##### |

| FUNDING FOR EXISTING ENROLLMENT/CAMPUS OPERATIONS | | | |
|---------------------------------------------------|-------------|------|----------|
| SP Goal/Objective | Description | Base | One-Time |
| | | | |
| | | | |
| | | | |
| | | | |
| Total | | | |

| PROJECTED ENROLLMENT GROWTH/NEW FACILITIES NEEDS | | | |
|--------------------------------------------------|-------------|------|----------|
| SP Goal/Objective | Description | Base | One-Time |
| | | | |
| | | | |
| | | | |
| | | | |
| Total | | | |

| OTHER STRATEGIC NEEDS/PRIORITIES | | | |
|----------------------------------|-------------|------|----------|
| SP Goal/Objective | Description | Base | One-Time |
| | | | |
| | | | |
| | | | |
| Total | | | |

TOTAL 2020/21

*\$12.8M approved base deficit funding plan previously reduced to \$3.7M.

**Includes \$300K in reoccurring centrally monitored expenses, e.g., CSU financial records and state budget report, Loker rental fee, CCAA membership dues.

Strategic Budgeting

In response to the President's recommendation in his memo to Dr. Kamal Hamdan dated January 30, 2018 regarding approved budget allocations, UBC is encouraged to engage in discussions and take actions necessary to fulfill the following charge during Spring 2018:

“Develop a strategic budgeting approach that aligns resources with planning, including :

- A set of guiding principles for strategic budgeting (definitions/guidelines/budget categories, etc.)
- Policies to support strategic budgeting
- Framework for evaluating existing base budgets
- Processes that integrate institutional data and assessment with resource requests
- A strategic reserve policy

As this effort moves forward, UBC may find it helpful to reach out to other institutions and/or to consider engaging short-term assistance in the form of a consultant experienced in moving organizations to a strategic budgeting model.”

Future Meeting Dates & Agenda Items

Friday, April 6 Strategic Budgeting

Friday April 27 Strategic Budgeting

All meetings are held from 3-5pm in the President's Large Conference Room (WH D 444)

Questions?