

University Budget Committee

March 5, 2021

CSUDH

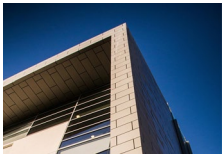
DIRECTORY

CSUDH

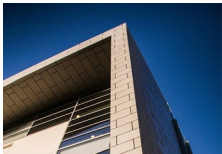
CALIFORNIA STATE UNIVERSITY
DOMINGUEZ HILLS

Agenda

- I. Welcome
- II. Strategic Budgeting
- III. State Budget Update
- IV. Reserves Planning
- V. Lottery Funds



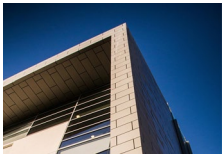
STRATEGIC BUDGETING



What is Strategic Budgeting?

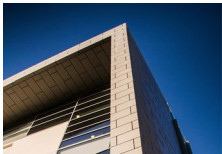
Strategic Budgeting is the process of aligning resources with the university strategic plan and priorities.

Strategic budgeting should be used in achieving both short-term and long-term goals.

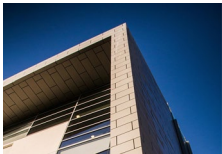
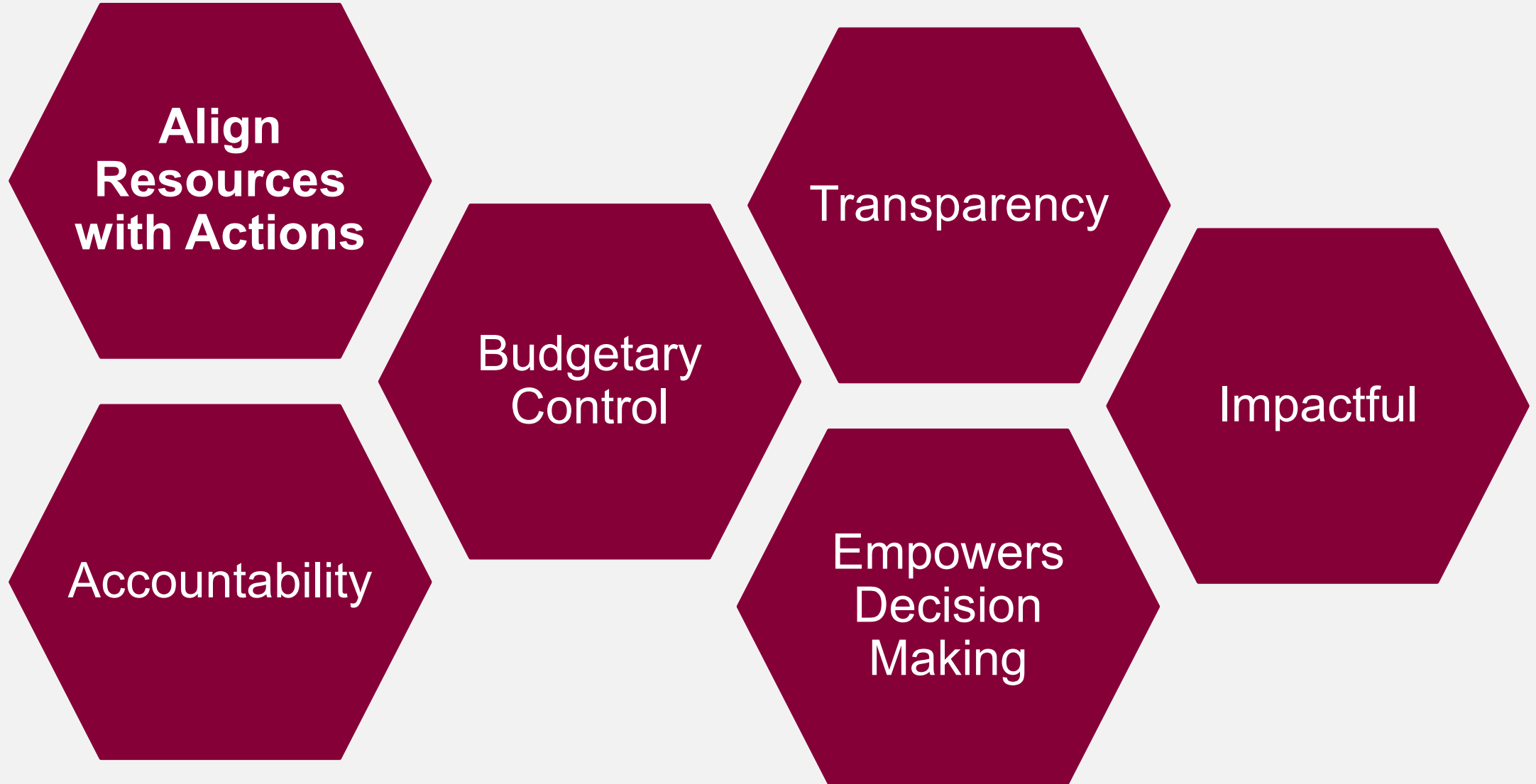


What is Strategic Budgeting?

- Short-term strategic planning: ensuring that expenditures align with the priorities of the campus
 - Examples: re-evaluating positions when made available, program audits
- Long-term strategic planning: planning for larger campus goals, and ensuring continued financial stability
 - Examples: establish a University reserve, create sustainable budgeting practices

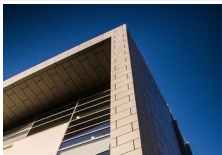


Strategic Budgeting Foundation



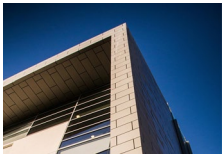
How do you use strategic budgeting to allocate funding?

- When allocating funding through strategic budgeting the goals and priorities are identified first, and then funding is allocated to those priorities
- As the campus requests funding they will need to tie their requests to the goals and priorities that have been identified, and explain how their request will advance the priority forward

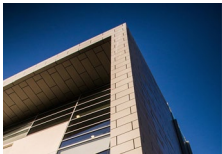


What is UBC's role in the strategic budgeting process?

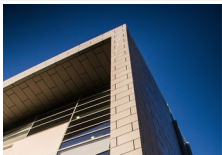
- UBC's role in recommending base budget increases will be largely the same, with some minor procedural changes:
 - UBC will be provided a list of strategic themes to help guide the allocation process
 - UBC will prioritize the requests in the order they feel best support the strategic themes
 - Once available resources have been finalized, they will be allocated to the requests in the order in which they are prioritized



STATE BUDGET UPDATE

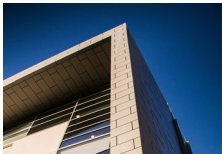


On February 17, Governor Gavin Newsom, Senate President pro Tempore Toni G. Atkins and Assembly Speaker Anthony Rendon announced an immediate action agreement that includes a full restoration of the \$299 million reduction from the CSU's base 2020-21 budget to take effect on July 1, 2021.

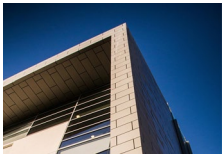


What does this mean for Dominguez Hills?

At this point, we don't have very specific information as to how this funding will be distributed to the campuses from the Chancellor's Office. They have not decided if they will restore funding as it was cut or will choose a new distribution methodology.



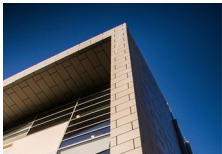
But we're going to get more funding, right?
That part is true...but we do not know how much.



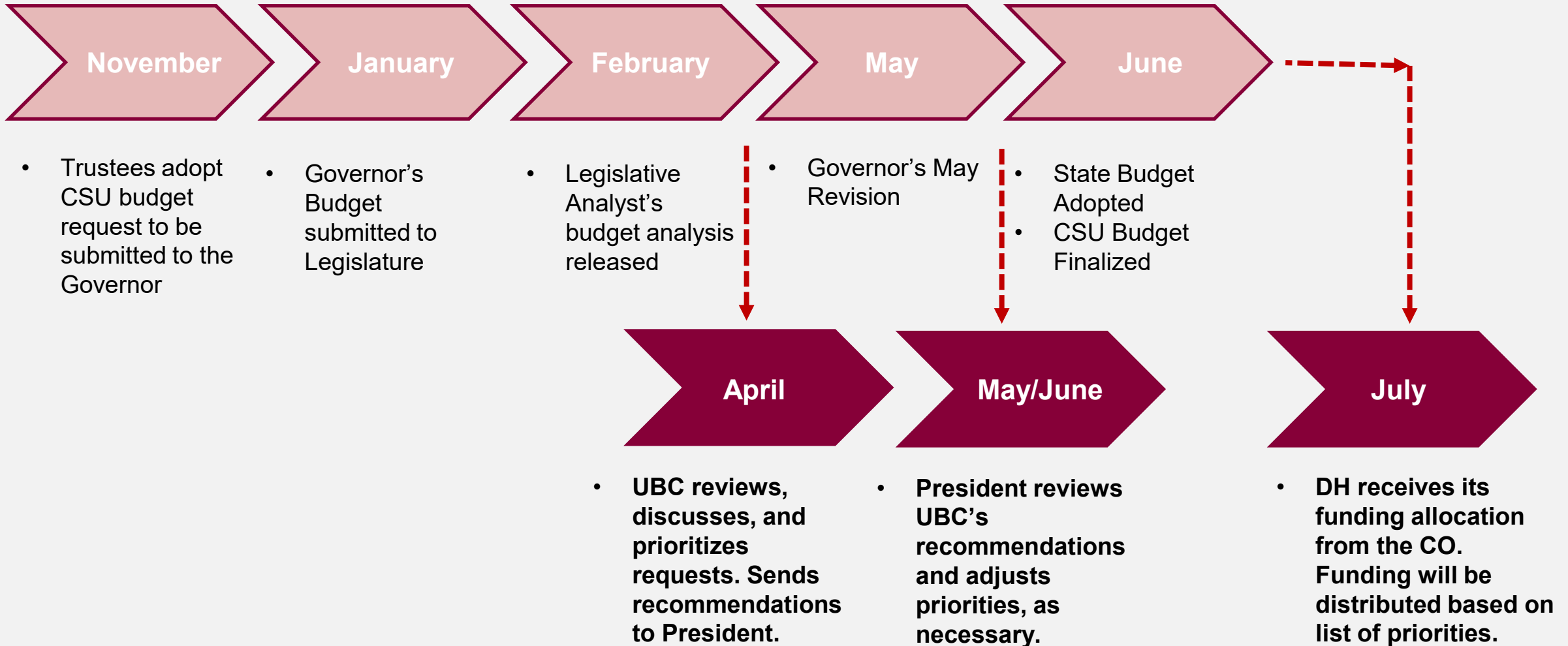
Soooo...should we start distributing it out to the divisions?

No, not yet. We will continue with distributing funding based on our strategic budgeting principles. This means that priorities and goals are set first, and then funded accordingly.

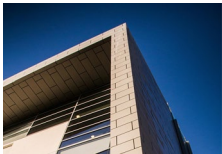
The slices are going to be handed out the same way, we just have a bigger pie now!



21-22 Budget Timeline

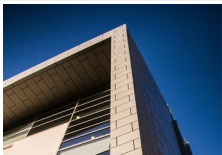


RESERVES PLANNING

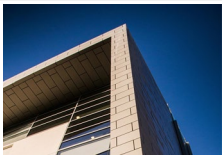


Fund Balances and Reserves

- **Positive Fund Balances (carryforward balances) are the result of revenues in excess of expenses**
 - These fund balances may be intentional (building a reserve for identified needs) or unintentional (vacant positions create net savings)
- Reserves are an intentional and planned use of fund balances
- Fund balances may be designated as **reserves** in certain areas to support nonrecurring expenses such as:
 - Manage short-term obligations and commitments
 - Reinvest in strategic priorities such as new programs or capital projects
 - Ensure operating costs can be paid during times of budget uncertainty

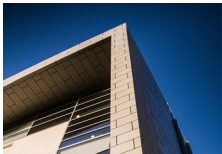


- **Designated Balances and Reserves Policy**
 - This policy is designed to ensure campuses have sufficient designated balances to achieve three objectives:
 - 1) Sustain year-to-year consistency in all elements of the university's operations
 - 2) Build capacity for strategic program and capital investments
 - 3) Cover unanticipated expenditures and limit the negative impact of cyclical state recessions.
- The policy dictates that a campus should maintain reserves equal to three to six months of the annual Operating Budget
- For Dominguez Hills this would equal between **\$48M and \$96M** as a reserve goal for the Operating Fund (AADHT)

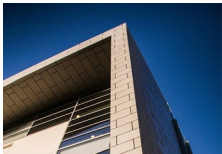


Operating Fund Reserves Policy

- Dominguez Hills will be drafting a reserve policy specifically for the Operating Fund
- The policy will be shared with UBC for feedback and endorsement

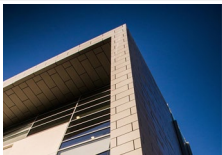


LOTTERY FUNDS



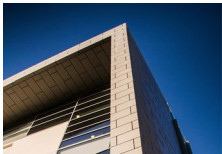
Lottery Funds

- The intent of lottery funds is to provide monetary support aligned with an instructional purpose for the education of pupils and students in one of five categories:
 - 1) Academic Support.
 - 2) Student Services
 - 3) Institutional Support
 - 4) Operations and Maintenance of Plant
 - 5) Scholarships and Fellowships
- Lottery Funds **cannot** be used for the following purposes:
 - Increase compensation to existing staff
 - Pay faculty salaries or salary-related expenses for state-funded classroom instruction
 - Replace programs and activities receiving state funds



Lottery Funds

- There is not currently structure in place to request Lottery Funds
- There was previously a process on campus that can be easily adopted
- **Recommendation:** In the Fall semester UBC will review Lottery requests forward funding recommendations to the President for approval.



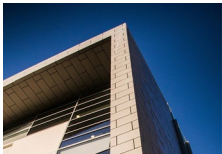
Upcoming Meetings

April 2nd

- Review Resource Requests and ask follow-up questions

April 16th

- Review and discuss request priorities



Q&A

