



Fiscal Year 2017 (FY17) Budget Overview

The FY17 CSU Channel Islands budget provides an update on budget actions for the next fiscal year and details allocation recommendations that protect the core missions of teaching and scholarly activity.

The 2016-17 Support Budget of the CSU provides for adjustments in enrollment growth including salary increases for faculty and various additional employee units. Additional mandatory cost increases such as insurance, utilities and retirement costs are also reflected in the information presented in this overview.

The Strategic Resource Planning Committee (SRPTC) serves as a subcommittee of the President's Planning and Policy Council (PPPC) to help strengthen the relationship between campus planning and budgeting. The SRPTC is co-chaired by the Provost and the Vice President for Business and Financial Affairs. Last fall, each division shared presentations that provided information on their respective areas' operations for feedback and comment from the committee. These presentations were delivered to the campus for the broad information sharing and feedback. The committee also hosted town halls in the spring to share with the campus information regarding budget planning and divisional requests for the next fiscal year. Updates were also provided to the President's Planning and Policy Council. These materials may be found at: <http://www.csuci.edu/strategic-resource-planning/index.htm>

It is with sincere appreciation that we thank members of the SRPC this year for the productive and positive dialogue. We continue to make progress in strengthening our communication across campus to inform and obtain feedback in the development of the FY17 budget. We continue to look forward to the new year as we work to further reinforce campus planning and budgeting.

Gayle Hutchinson, Provost
and VP for Academic Affairs

Ysabel Trinidad, VP, Business
& Financial Affairs

May 31, 2016

Total Operating Budget (All Funds) – Revenues and Expenditures by Fund Type and Category

Budgeted revenues and expenditures for the FY17 fiscal year are \$173.3 million, a two percent increase over the prior fiscal year all funds final budget and a 2.6% increase in the University operating funds. Revenue adjustments reflect authorized increases.

CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS Exhibit II ALL FUNDS REVENUE PLAN SUMMARY FISCAL YEAR 2016/17				
	2015/16 Final Budget	2016/17 Campus Budget Plan	Change	
			\$	%
University Operating Funds				
<i>CSU Operating Fund</i>				
State Appropriations	\$67,069,910	\$69,436,910	\$2,367,000	3.5%
Category I Fees - Tuition	33,236,000	33,531,707	295,707	0.9%
Category 1 Fees - NR Tuition	151,000	151,000	0	0.0%
Category I Fees - Application Fees	404,500	404,500	0	0.0%
Category III Fees	12,000	12,000	0	0.0%
Category IV Fees (State Support)	263,279	263,279	(0)	0.0%
Other	112,230	112,230	-	0.0%
Sub-total Appropriated/Student Fee	101,248,919	103,911,626	2,662,707	2.6%
<i>Designated Category II Fees</i>				
Mandatory Campus Based Fees	5,342,550	5,462,750	120,200	2.2%
Total University Operating	106,591,469	109,374,376	2,782,907	2.6%
Restricted Funds				
Lottery	109,000	109,000	-	0.0%
Total Restricted Funds	109,000	109,000	-	0.0%
Auxiliary Activities				
<i>Auxiliary Enterprise</i>				
Housing	13,316,351	15,835,054	2,518,703	18.9%
Parking and Transportation	2,294,825	2,428,323	133,498	5.8%
Extended Education	6,494,831	6,500,000	5,169	0.1%
Sub-total Auxiliary Enterprise	22,106,007	24,763,377	2,657,370	12.0%
<i>Auxiliary Operations</i>				
Associated Students	1,694,250	1,933,652	239,402	14.1%
CI Foundation	2,402,676	1,571,619	(831,057)	-34.6%
Site Authority	30,126,990	27,575,365	(2,551,625)	-8.5%
University Glen	7,064,253	7,968,140	903,887	12.8%
Sub-total Auxiliary Operations	41,288,169	39,048,776	(2,239,393)	-5.4%
Total Auxiliary Activities	63,394,176	63,812,153	417,977	0.7%
Total Revenues	170,094,645	173,295,529	3,200,884	2%

Significant Considerations for FY17 General Fund Operating Budget

CI's FY17 general fund operating budget, combining all sources of revenue is anticipated to be \$109.4 million. Primary revenue sources in FY17 include those from State appropriations, tuition and other student fees.

Tuition Fees:

Under the Governor's multi-year funding plan and the CSU 2016-17 support budget proposal, tuition again remains flat for the budget year. CSU tuition fee rates remain at the same levels as were in effect for the 2011/12 – or for the prior five years.

Campus Enrollments: In FY17, CI's planned enrollments for the year were 5,500 FTES. For FY17, 61 new state-funded enrollments were authorized by the Chancellor's Office.

FY16 Funded Enrollment	5,500 FTES
FY17 New Enrollments	61 FTES
Funded Enrollment FY17	5,561 FTES

Figure 1: 2010-11

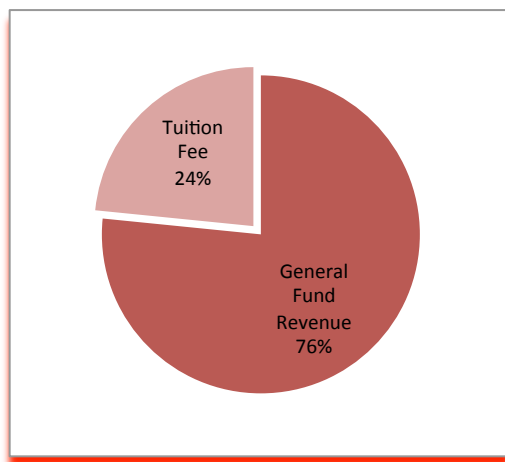
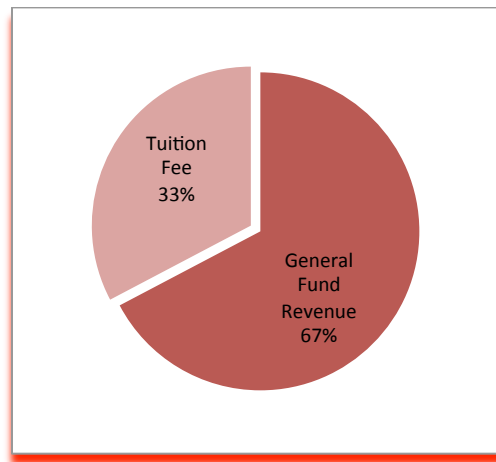


Figure 2: 2016-17



Figures 1 and 2 above provide a comparative of the change in the portion of General Fund revenue to Tuition Fees over the last six years.

Employee Compensation: Salary adjustments will be budgeted for 2016/17 in accordance with the approved multi-year collective bargaining agreements. At present, the campus expects that funding will be allocated from the Chancellor's Office with the expectation of a funding contribution from campus resources. When the campus has received the final allocation, we will then determine the portion of the campus contribution required.

Budget Planning

In October, 2015, the Fiscal Year 2017 (FY17) budget discussions began with the issuance of budget instructions to campus unit heads. These instructions provided guidance for the development of the FY17 budget. The process is also guided by the President's Planning and Policy Council's strong commitment to strengthening the link between the budget development process and strategic planning as well as reinforcing transparency and accountability in the process. This includes:

- Aligning budget resource allocations with strategic planning for the short-and-long-term
- Planning to support a sustainable operating environment
- Introduce additional accountability into the resource allocation process
- Engage in new student FTE enrollment growth, and
- Supporting budget environments decentralized by division.

Key Policies Implicit in the FY17 Budget

Multi-Year State Funding Plan. The Governor continues to support the multi-year investment plan initiated in 2013-14. Recognizing that the CSU endured state funding reduction during the recent fiscal crisis, the governor's administration has added additional years and new permanent funding commitments to the plan through 2018-19. The plan calls for growing General Fund support for the CSU by four percent in 2016-17.

The CSU continues to reported progress on performance as required under the Budget Act of 2014 (Chapter 25 of the Statutes of 2014). The most recent *CSU Report on State Performance Measures* may be found here: <http://www.calstate.edu/budget/fybudget/legislative-reports/1516-Performance-Measures-cover-report-FINAL.pdf>.

As prior, the CSU is expected to use appropriated funds to maintain affordability, decrease the time it takes students to complete a degree, increase the number of students who complete programs, and improve the transfer of community college students to four-year colleges and universities.

Enrollment Growth Funding. The 2016/17 state allocation provides state general fund support for an enrollment growth of 61 new FTES. We await final details from the Chancellor's Office about and updates to campus budgets. The state final decisions on the CSU budget will likely occur by June 30, 2016.

Tenure-Track Faculty Hiring. Based on the 2014/15 policy to fund new faculty tenure track positions based upon new enrollments authorized by the Chancellor's Office, additional FTE faculty are adjusted using the campus student/faculty ratio. (*Memo dated May 1, 2015: CI Faculty and Staff – from Co-Chairs of Strategic Resource Planning Task Force*)

Tuition Fee Rates. CSU resident tuition fees will stay at the following rates in 2016-17 to ensure affordability for students as outlined in the Governor's multi-year plan.

Tuition Fee Academic Year Rates*

2016/17

<u>Undergraduate Programs</u>	
6.1 or more	\$5,472
0 to 6.0	\$3,174
<u>Credential Programs</u>	
6.1 or more	\$6,348
0 to 6.0	\$3,684
<u>Graduate and Other</u>	
<u>Post-Baccalaureate Programs</u>	
6.1 or more	\$6,738
0 to 6.0	\$3,906

* Equal to 2011/12 Tuition Fee Rates.

CI Strategic Budgeting and Planning. As adopted in prior budget planning efforts, and reflected throughout this summary, CI is committed to transparency, accountability, and campus engagement as we strengthen our strategic budgeting and resources allocation processes. This approach provides a foundation for resource allocation planning efforts as the campus strives to support critical needs.

Using CI's five-year strategic plan, campus budget units are positioned to more effectively align their budget planning efforts with CI's strategic plan.

University Operating Fund

UNIVERSITY BUDGET REVENUES SUMMARY

Total new net revenues for FY17 \$2.3 million. These funds are net revenues generated by the following:

State General Fund: State appropriations revenue total \$2.4 million and include funding for enrollment growth. The general fund increase for enrollment growth totals \$354,000; \$1.9 million covers mandatory cost increases – \$1.025 million health/retirement, \$242,000 for operations of new space brought on-line, and 2% salary adjustments funding allocation totals \$746,000 for employees.

Tuition fees: Net tuition totals \$296,000. Fees are calculated on resident headcount and include resident and non-resident fees that are then adjusted for tuition waivers.

BUDGET EXPENDITURE SUMMARY

Overview

FY17 divisional requests for **new operational needs** total \$5.6 million and are summarized below. Divisional areas prepared permanent requests (\$4.0 million – Figure 3) and temporary requests (\$1.6 million).

Permanent funding was allocated to address instructional need of the 61 FTES by the addition of 1.0 FTE tenure-track faculty.

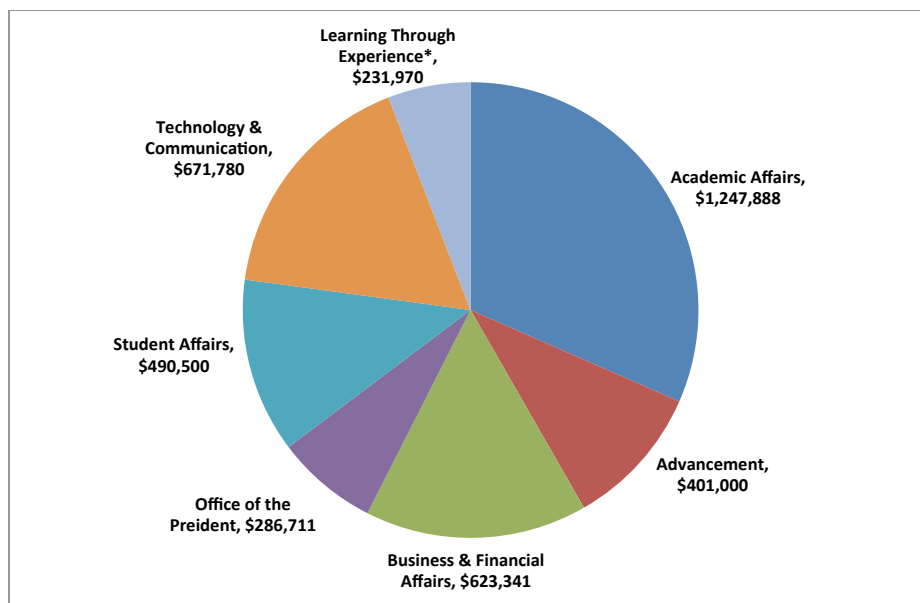


Figure 1: FY17 Divisional Permanent Budget Requests (*LTE cross divisional request)

Mandatory and Fixed Expenditures. These costs include incremental permanent expenditures the campus must account for in the new fiscal year. This includes new tenure track faculty lines based upon the increase of allocated FTES by the Chancellor's Office. As in the prior year, as we exceed the PERS cap, the campus must cover the full CalPERS retirement contribution for additional payrolls. Mandatory and fixed costs also include increasing costs of current employee benefits. CI will use approximately 56% of fixed cost budget for Tenure Track Faculty/Benefits/PERS. The remaining 44% will be used for a compensation pool, operating mandates (ex., software licensing increases, etc.), legal fees, utilities, insurance, and budget contingency.

Funding for **additional faculty** is calculated using the allocated FTEs (61) against the current year Student Faculty Ratio (SFR); 22.3 and then applying the campus Tenure Track ratio of 55%. New Tenure Track Faculty (TTF) hires required is 1.0 FTE and lecturers is 1.0 FTE, TTF hires include mandatory release time. New faculty hires were fully funded including benefits at **\$209,000**. Full funding for **faculty promotions** is included in the mandatory costs and is anticipated to be at approximately **\$71,000** for FY17. Funding for faculty sabbaticals is also funded using one-time funds at approximately \$134,250.

Budget Development Methodology. As outlined in the Operating Budget Resource Planning memo (October 16, 2015) to campus unit heads, each campus division developed its internal process to solicit budget requests from its units, encourage participation in the process and communicate its priorities. Divisional vice presidents prepared their priorities based on strategic priorities and input for consideration at the campus level. During the spring semester, the President's Planning and Policy Council and the Strategic Resource Planning Task Force met to review information, offer input and stay informed on progress in the development of the budget.

The campus now employs a Position Management (PM) budgeting tool to help ensure that all positions are fully funded through the budget process. PM also allows the campus to capture total FTE by job category for each division or entity. Divisions can also reconcile total positions for their respective divisions to Position Management. As each division or entity requests new FTE through the annual budget process, as approved, the PM model is adjusted for the FTE increase in the respective category.

The divisional requests submitted may be found on the strategic resource planning webpage: <http://www.csuci.edu/strategic-resource-planning/planning-resources.htm> located under the "FY17 Budget Requests."

Recommended Allocations. The following summary provides new and increased fixed cost permanent allocations as follows:

Table 3.
FY 2017 Permanent and Temporary Allocations

	Permanent	Temporary	Total
Divisional Operating	\$140,740		\$140,740
Compensation (per agreements)	\$1,001,228		\$1,001,228
Fixed Costs (legal, utilities, benefits)	\$1,278,141		\$1,278,141
Total	\$2,420,109		\$2,420,109

With limited new permanent funds, the new allocation supports the increases in mandatory expenses (benefits, retirement, insurance and utilities) as well faculty hires and compensation adjustments. The space allocation of \$242,000 will support new facilities needs (supplies, utilities, custodial, etc.).

Reallocation

Below are resource reallocation requests with funding that currently exist in divisional budgets. The reallocations do not require additional funding for FY 16/17 and so, recommended for approval.

Academic Affairs

- Tenure Track Faculty (calculated based upon allocated FTES) allocated in 14/15; 1.0 FTEF hired was a Tenure Track Librarian. \$73,440
- Research and Sponsored Programs requested a Grants Analyst/Pre-Award Specialist. 1.0 FTE funding is being re-directed from operations & maintenance expenditure lines within the division. \$55,200
- Teaching & Learning Initiatives requested an Administrative Analyst .5 FTE funding is being re-directed from operations & maintenance expenditure lines within the division. \$24,600
- Technology & Innovation Center requested an Information Technology Consultant Career. 1.0 FTE funding is being re-directed from operations & maintenance expenditure lines within the division. \$45,000

Office of the President

- The Title IV office received funding in FY15/16 for a Sexual Assault Counselor and has requested that 1.0 position be reallocated to fund a Confidential Analyst. \$55,000

Student Affairs

- Education Opportunity Program requested an EOP specialist 1.0 FTE. This new position is required to support the more robust EOP program. The position will be funded from new funding for the EOP program that was allocated by the Chancellor's Office during FY 15/16. This program had not been previously funded by the Chancellor's Office though most other EOP programs in the CSU have been allocated dedicated funds. \$39,636
- Admin II 1.0 FTE (Position #724) has been repurposed to Admin Analyst/Specialist I 1.0 FTE and temporarily Administrative Analyst/Specialist II .75 until such time permanent funding can be allocated to make a 1.0 FTE. \$52,000

Capital Budget

Background

Minor Capital Outlay (construction) projects are limited to those projects that correct deficiencies, provide new or improved facilities, add access or provide equipment for a minor capital outlay project whose estimated total cost is \$5,000,000 or less. Minor construction does not include any work classified as maintenance or repair. Projects may not be grouped unless they are for similar work within one building or complex.

Capital Renewal projects are limited to those projects that provide replacement of major building components and/or systems that have exceeded their useful life. Major building systems must be replaced to enable the continued function and use of an aged facility. The building components renewed typically include: the heating, ventilation and air conditioning systems; plumbing systems; electrical distribution system; and building exterior skin, roof and window systems. Energy and utility efficiency improvements are pursued with these projects as appropriate.

As with prior years, the campus must continue to allocate campus revenue sources to fund critical life/safety, ADA, code-driven and new space needs.

Deferred Maintenance

The CSU continues to help address deferred maintenance accumulation for the campuses. The current deferred maintenance backlog for CI is approximately \$14 million with an additional \$48 million for critical infrastructure renewal needs; the CSU system deferred maintenance backlog nears \$2 billion. It should be noted that many other campuses reflect a significantly greater deferred maintenance accumulation than CI.

Channel Islands Critical Facilities Investments-Related Needs

As part of managing the campus' deferred maintenance needs, Facilities Services also maintains an inventory of major construction, renovation projects (code-compliance and critical repairs), and planning studies needed to support campus development. These projects are based on input from discussions with Divisions and Departments about their space needs through the annual budget process, and from Facilities Services' databases on deferred maintenance and renewal needs.

Projects are categorized into major areas:

- Critical repairs needed for buildings – for conditions that are unsafe or threat to life/safety.
- Repairs driven by code compliance requirements – for conditions that are non-compliant with current codes and exposes the campus to high risk.
- New space needs – needs related to new classrooms, academic and student support spaces to handle growth in FTE.
- Improving work and study environment – aesthetic improvements needed to promote well-being of the students, faculty and staff, improve productivity and create favorable “first impression” for prospective students and parents.

- Planning studies – studies needed to determine how the Campus will handle its development over the next several years.

The campus has identified critical needs projects and studies that require funding and action immediately because of compliance mandates, enrollment growth needs or life/safety requirements. The allocations for these critical investments are funded from funds designated for deferred maintenance and renewal, and prior year carryover funds. The following table provides a summary of these types of projects.

Table 5
Summary of FY17 Requested Capital Investments

Project Types	One-time Allocation
Critical Repairs and Code Required (ADA, system failures)	\$380,000
Space Upgrades/Improve Environment - work/study (interior refresh, way-finding signage, landscaping)	\$584,000
Planning Studies (campus-wide EIR, new academic space)	\$ 150,000
Sustainability in Built Habitat (energy efficiency, mandates – CSU climate action plan)	\$ 50,000
Total	\$1,164,000*

* Total one-time allocation may be adjusted to address other higher priority items as needed subsequent to the approval of the annual budget.