

Presentation to the Division of University Advancement

By: Nichole Ipach, Vice President for University Advancement

Subject: Multi-Year Budget and Planning in the wake of COVID-19

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As we look forward into this fiscal year and beyond, University Advancement must design a careful and well thought out plan for our divisional resources that considers a variety of scenarios and prioritizes the essential elements of our work that support the University's mission and strategic initiatives. The financial impacts of COVID-19 on California's economy and, consequently, the budget for the CSU and our campus have been significant and it is anticipated that this impact will be felt over a multi-year period.

As you may be aware from the information presented by the University's [Strategic Resource Planning Committee](#) (SRPC), the CSU's state budget allocation has been permanently reduced by \$299 million. As a result, CSUCI faces a budget shortfall in this fiscal year (2020-21) of \$5.1 million. In addition, the campus is also projecting a shortfall in tuition revenue that equals \$1.9 million resulting from a projected 5% enrollment decrease. As of today, enrollment is coming in higher than originally projected. However, because of the uncertainty associated with COVID, the campus will not know the true annualized enrollment until next spring.

The combined reduction in state and tuition funding equals a \$7.0 million reduction for our campus in this fiscal year (2020-21). Compounding these shortfalls is the significant loss in revenue for our auxiliary enterprises (housing, parking, dining) and other external revenue generating activities such as external conferences and events. As of June 30, these combined shortfalls totaled \$12 million.

In this fiscal year (2020-21) the campus will continue to curtail non-essential spending and will bridge the remaining funding gap with one-time savings and reserves. However, it is important to note that this budgetary relief is temporary and will not resolve the campus' permanent \$5.1 million state appropriation reduction. As such, this fall the campus will focus its efforts on addressing the permanent \$5.1 million state appropriation shortfall and delay the fiscal year 2021-22 planning cycle until spring 2021 when we will have more information available to the campus including the Governor's January Budget and spring enrollment.

To date, for University Advancement the loss of revenue from external conferences and events has created a necessary reallocation of our Divisional resources to address the shortfall and support the staffing and operational needs of University Events. Additionally, resources will continue to be reallocated to support budget shortfalls associated with the merger of Career with Alumni Engagement programs. To address these student and alumni needs, University Advancement has reallocated approximately 10% of its campus allocated state-side budget using resources that have been freed up as a result of salary savings from several vacant positions in UA and the freeze on travel. University Advancement's budget represents 4.6% of the total campus budget. More information on the state of University Advancement can be found [here](#).

Moving forward, the planning process for University Advancement's divisional budget will work within the timeline and parameters of the University budget planning process and will spend the fall focused on determining the Division's approach to its contribution towards the \$5.1 million campus shortfall.

I encourage you to visit the University's [Budget and Planning](#) and the [Strategic Resource Planning Committee](#) websites for more information. Additionally, questions, ideas, or feedback regarding

University Advancement's budget or the Division's planning process are welcomed and encouraged. Should you have any of the above, please contact your supervisor to discuss.

As always, thank you for the critical work that you do to support our students and the mission of our University. I hope that you continue to take care, stay safe and be well.

Nichole Ipach
Vice President for University Advancement