



October 21, 2016

Dear Colleagues,

This correspondence opens the 2017 – 2018 fiscal year (FY18) budget discussions and becomes the starting point for development of the University FY18 budget. Under the President’s Planning and Policy Council, we remain committed to strengthening the link between the budget development processes and strategic planning as well as reinforcing transparency and accountability. The information and process outlined below provides background information and drivers to advance this commitment and support the CSU.

As noted in the university’s strategic plan, priorities are identified to guide our future planning. Over the next several months, we plan to actively engage our campus with a focus on the initiatives and programs that support these priorities by all the campus divisions. The Graduation Initiative 2025 discussed below is included in these priorities.

CSU Student Success/Graduation Initiative 2025

In January 2015 the CSU launched the Graduation Initiative 2025 and the revised goals are listed in the table below:

Completion Metric	Current Rates	Revised 2025 Target
First-Time Freshmen Four-Year Graduation Rate	19%	<b>40%</b>
First-Time Freshmen: Six-Year Graduation Rate	57%	<b>70%</b>
Transfer Students: Two-Year Graduation Rate	31%	<b>45%</b>
Transfer Students: Four-Year Graduation Rate	73%	<b>85%</b>
Achievement Gap by Ethnicity	11 points	<b>0 points</b>
Achievement Gap by Pell Eligibility	8 points	<b>0 points</b>
Achievement Gap by First Generation Status	13 points	<b>0 points</b>

See more at: <https://www2.calstate.edu/csu-system/why-the-csu-matters/graduation-initiative-2025/Pages/campus-plans-and-goals.aspx>

The target graduation date for the initiative is aligned with a report issued by the Public Policy Institute of California which declared that by 2025 the supply of college educated workers needed to maintain the growth of California’s economy will fall short of projected demand by one million based on current trends. These completion rate “stretch” targets apply to students who are currently in the 8th grade. The “stretch” targets estimates are based on baseline data, historical data, and graduation rates of peer institutions as defined by the Education Trust’s Results Online data tool.

The following chart provides a summary of CI’s goals from the Graduation Initiative 2025:

## Graduation Initiative 2025 Goals CSU Channel Islands

Metric	2025 Goal	Most Recent Rate
Freshman 6-Year Graduation	67%	57%
Freshman 4-Year Graduation	40%	25%
Transfer 2-Year Graduation	54%	42%
Transfer 4-Year Graduation	78%	68%
Gap - Underrepresented Minority	0	7 % points
Gap – Pell	0	2 % points

A summary of CI’s preliminary campus plan, along with all other CSU campus plans, may be found here <http://www.csuci.edu/president/presidentscouncil/ci15-strat-plan-1520.pdf>. Over the coming months, we will be developing a more refined and comprehensive plan to meet these target goals.

### CI Budget Process Overview

The context for the FY18 operating budget is primarily set by three factors: the submission of the 2017-18 Support Budget by the CSU Chancellor’s Office (CO) as presented and approved by the Board of Trustees (BoT), the actions to be taken by the State Legislature and the Governor, and the strategy and planning by the campus. All non-state budgets are influenced by these factors as well.

Because of anticipated limited growth funding for FY18, we recommend the following modified planning process for the operating fund including all other funds (Auxiliary Organizations/Public entities, Designated Operating Funds, Auxiliary Enterprise Funds, and Other Trust Funds). This planning process is comprehensive and will include planning for reserve requirements and campus space needs.

Since FY17 resulted in no additional permanent budget allocations for operations, a division may choose to either manage their divisional process as done in the prior year **or** evaluate the FY17 submissions and determine if the priorities submitted previously need to be adjusted and/or updated. The materials submitted should continue to inform the campus discussion based on strategic goals and the resources necessary to meet those goals. These submissions, as well as forms described later in this memo, are **due to Budget & Planning by February 10, 2017**.

The Student Success and Graduation Initiative 2025 will continue to be a top priority for the University and divisional plans should reflect alignment with this need. Budget conversations will take place during the month of February 2017. In addition, the Strategic Resource Planning Committee (SRPC) will convene in early spring to receive presentations on all budget requests and provide input on the strategic initiative investment for the campus.

### Guidelines

In developing the FY18 budget, the following parameters are provided:

- Align budget resource allocations with strategic planning for the short and long term to ensure sustainable operations;
- Incorporate additional accountability (efficiencies, reallocation, etc.) into the resource allocation process;

- Engage in necessary planning to successfully support new student FTE enrollment growth;
- Support budget environments with responsibility managed at the divisional level;
- Aim for transparency;
- Adequately build reserves for all funds by 2020; and
- Protect resources for strategic investments even in tough times.

Goal

The goal of the budget resource planning process is to create a balanced and sustainable on-going budget. This will involve the actions that reflect strategic investments to achieve the goals of the campus strategic plan. Any reallocation of resources within units should also support these guidelines.

A campus enrollment growth target of six percent has been established for FY18.

Initiating the FY18 Process

An information item regarding the planning for the FY18 Support Budget was presented to the BoT at its September 2016 meeting. The CSU presented a budget plan for \$346 million in new funding as follows:

\$75 million	Graduation initiatives
\$40 million	1% enrollment growth
\$195 million	Compensation (current commitments and new open commitments)
\$10 million	Academic Facilities & Infrastructure needs
\$26 million	Mandatory costs (insurance, benefits)

The Governor’s multi-year plan currently funds the CSU for \$157 million. The BoT will take action on the FY18 Support Budget at its November meeting and the Governor will release his initial budget in January 2017.

For CI, the annual budget process continues to evolve and improve. As with prior years, meetings with the SRPC provide excellent opportunities for us to share information about divisional resource plans and receive feedback. In addition, the goal this next planning cycle will be to receive input from the SRPC on the investments we make to advance CI’s Student Success and Graduation Initiative goals.

Information about the components of this year’s process is provided below:

- The planning schedule for the FY18 planning is included in Attachment 1. As noted above, budget submissions, for all funds, are due to the Budget & Planning office (B&P) by February 10, 2017. Submissions should focus on alignment with strategic goals.
- To support CI’s commitment to transparency and accountability, budget requests again include a set of questions for response by all areas. These supplemental questions (Attachment 2) are intended to inform the budget requests at the divisional and unit levels.
- Historical information is summarized by division in Attachment 3. This attachment includes by division, historical salary by employee category, FTE information, and the summary of new allocations by division.

Finally, information on submission tools (Excel workbook sheets) is included as well as a reference listing of reporting units/departments that must submit budget information.

**Please email materials to Jennifer Moss at [jennifer.moss@csuci.edu](mailto:jennifer.moss@csuci.edu). Questions about the preparation of schedules may be directed to Missy Jarnagin at [missy.jarnagin@csuci.edu](mailto:missy.jarnagin@csuci.edu).**

As always, please let us know if you have questions or comments. We will continue to communicate with units as additional information unfolds on the state budget and as FY18 budget information is available. Additionally, documents, presentations, and reports can be found on the SRPC website located here: <http://www.csuci.edu/strategic-resource-planning/>.

Sincerely,

Dan Wakelee, Ph.D.  
Interim Provost and VP for Academic Affairs

Ysabel Trinidad  
CFO and VP for Business & Financial Affairs

cc: President Erika Beck

## Attachments

- 1 – FY 18 Budget Development Planning Schedule
- 2 – Supplemental Questions
- 3 – Divisional Data Summaries
- 4 – Divisional Report Units/Department Listing
- 5 – Funding Requests Workbook (Excel workbook)

## All Funds Budgets

**Auxiliary Organizations/Public Entities** are separate legal entities. The Auxiliary Organizations are Associated Students, Inc.; CI Foundation; and University Auxiliary Services. These organizations are not-for-profit and perform essential functions associated with CI but are not supported by state funding (general fund appropriations). The Public Entities are the Site and Financing Authorities. These entities are legislative entities that are treated similarly to an Auxiliary Organization. Both types are governed by separate Board of Directors. **These organizations/entities should follow the timelines included in this memo.** Budgets are to be submitted to B&P by February 10, 2017 and include FY18 budget actions as part of the appropriate board agendas for review and recommendation no later than April 2017. After budgets have been reviewed and recommended by each entity's Board of Directors and B&P, B&P will forward to the VP for Business and Financial Affairs and the President for final approval.

**Designated Operating Funds** are also known as Category 2 Mandatory Student Fees. The Student Fee Advisory Committee (SFAC <http://www.csuci.edu/sfc/>) oversees all student fees. Each fee has an advisory committee which reviews individual requests, historical financial information and recommends a budget to the SFAC. Each advisory committee should prepare a detailed recommendation based upon the estimated headcount for FY18. **These funds should all follow the timelines included in this memo.** Budgets are to be submitted to B&P by February 10, 2017. Once reviewed B&P will forward to the VP for Business & Financial Affairs and the President for final approval.

**Auxiliary Enterprise Funds** are self-support units but not separate legal entities. These entities generate revenue by various means such as through the collection of tuition for an Extended University course, the collection of parking fees from faculty, staff and students, and finally housing fees for students who reside in campus-managed student housing. If bond debt has been issued to support facilities, each of these entities must ensure that bond debt is covered first, and then operations with funding set aside for reserves. Funds cannot be transferred from state appropriations to cover the expenses for these units. Therefore, these enterprises must ensure that enough revenue is collected to cover operating expenses, reserve contributions, debt service payments, and any related cost recovery charges. Additionally, if bond debt has been issued, budgets should closely align with financial proformas prepared at the time debt was issued. B&P keeps the proformas updated with prior year's actuals and workbooks are available from B&P at any time. If substantial variances exist, they must be reviewed with B&P and explained in detail to ensure that the campus will comply with the Debt Service Coverage Ratio requirements mandated by the Chancellor's Office. **As with other non-operating funds, budgets should be submitted to B&P by February 10, 2017.** Once reviewed, B&P will forward to the VP for Business & Financial Affairs and the President for final approval.

**Reserve Requirements** are new as of FY17. The CO issued a new policy outlining the funds and specific requirements for setting aside reserves to cover items such as economic uncertainty, future debt service, future construction, maintenance and repairs, and working capital. The PPC currently is in the process of approving this policy and B&P will be working closely with all fund managers to ensure that appropriate reserves are set up and any reserve spending is properly accounted for.

**Space needs** Previously, the campus has benefitted from vacant spaces on campus being available for quick availability. As the campus grows and more employees and students arrive on campus, Facilities Services along with B&P need to be able to plan accordingly for future growth needs. In FY16 the campus implemented the Minor Capital Outlay Policy. This policy was passed by the PPC at the May 3, 2016 meeting. Please refer to this policy for the steps needed to ensure that space needs are included in all divisional/unit budget submissions. The policy can be found here: <http://policy.csuci.edu/FA/04/fa-04-001.htm>

## Attachment 1

### FY18 Summarized Budget Development Planning Schedule\*

#### 2016

September	Student Fee Advisory Committee begin meetings for FY18; Cost Allocation plan discussions begin; Reserve allocation discussions begin
October 21	Strategic Resource Planning Committee (SRPC) meeting; Launch of FY18 Planning and current year budget updates
October 21	FY18 Budget Instructions distributed to Campus Budget Heads and posted; FY18 Divisional/Unit Budget Preparation officially begins
October 17 – February 10	Divisions/Units prepare FY18 budget requests based on unit-divisional goals and objectives and linked to the University’s strategic plan goals

#### 2017

January	Governor submits budget to Legislature
February 10	FY18 budgets due to B&P
February 13	B&P begin initial review of FY18 budget submissions
February	Cabinet budget discussions take place <ul style="list-style-type: none"><li>• Campus Town Hall meetings take place to present proposals by divisions to the campus community</li><li>• SRPC convenes to receive Cabinet updates and provide input on FY18 budget submissions</li></ul>
March	Final draft budget prepared based on divisional requests and SRPC input
April	Vice Presidents complete plans for their respective division and share final plans with SRPC
April	Final FY18 Budget recommendations to President
April	Hyperion B&P open for input for all units for FY18 budget
May	Governor’s May Revise
May	Hyperion closes for further input for all units
June	President approves FY18 final budget

\* Detailed calendars are posted on the Budget & Planning website.

## Attachment 2

### Supplemental Questions

1. **Strategic Planning and Reporting.** Please provide an overview of your current strategic plan (1-2 pages per **direct reporting unit/department**), as appropriate, along with progress toward goals. A listing of divisional units/departments is attached to identify these units in Attachment 4.
  - a. Discuss how your division supports the student-centered mission and strategic plan of the University.
  - b. Discuss any reallocation of resources in your division to address operating needs changes that have already been addressed by your division.
  
2. **New Funding Requests.** Please provide a description of new growth funds requested in the attached Funding Request Workbook (Attachment 5). One workbook for each fund. Include a summary of any operational risks that CI must work to mitigate over time. Note that new funding for strategic investment is limited, so your summary should provide a clear sense of how your unit intends to minimize risk, maximize service, and if necessary, repurpose existing funds to do so.
  - a. Address how your request supports the University's Strategic Plan and the Trustees' Student Success and Completion initiatives.
  - b. Discuss any major budget challenges for the division in FY18.
  
3. **Space.** Considering your unit strategic plans please provide a short summary (1-2 pages at most per direct reporting unit/department) that relates these plans to your current space assignment. You may wish to consider the following questions in your response:
  - a. Does your current space inventory meet current programmatic requirements? Or, does the type or quality of the space place any constraints on your ability to meet program requirements? Please provide specific quality or space type concerns (location, specific quality concern, etc.).
  - b. Will your unit be able to accommodate your growth plans within existing inventory of space? If additional space will be necessary, please describe the amount, type, or quality of additional space you may need to meet programmatic objectives and growth plans.
  
4. **Organizational Chart.** Please include a one-page organizational chart for your division to include total FTE regular employees.



**Attachment 3**

**Divisional Data Summaries**

CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS									
Historical Staffing									
		2014/15		2015/16		2016/17			
		FINAL ALLOCATIONS		FINAL ALLOCATIONS		CAMPUS BUDGET PLAN			
		\$	FTE	\$	FTE	\$	FTE	\$	FTE
<b>University Advancement</b>									
PERSONNEL COSTS									
SALARIES AND WAGES									
	Management	281,892	3.0	287,532	2.0	287,532	2.0	287,532	2.0
	Non-Represented	413,928	5.0	607,488	7.0	607,488	7.0	607,488	7.0
	Represented Staff	455,548	8.4	432,229	9.5	432,229	9.5	432,229	9.5
	Student Assistants	63,000	2.5	63,000	3.3	63,000	3.3	63,000	3.3
	Salary Pool			8,855		8,855		8,855	
	<b>Subtotal, Salaries and Wages</b>	<b>1,214,368</b>	<b>18.9</b>	<b>1,399,104</b>	<b>21.8</b>	<b>1,399,104</b>	<b>21.8</b>	<b>1,399,104</b>	<b>21.8</b>
CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS									
Historical Staffing									
		2014/15		2015/16		2016/17			
		FINAL ALLOCATIONS		FINAL ALLOCATIONS		CAMPUS BUDGET PLAN			
		\$	FTE	\$	FTE	\$	FTE	\$	FTE
<b>Academic Affairs</b>									
PERSONNEL COSTS									
SALARIES AND WAGES									
	Tenure Track Faculty	11,244,235	125.8	12,990,506	155.0	13,064,918	156.0	13,064,918	156.0
	Librarians	611,452	9.0	703,528	9.8	779,116	10.8	779,116	10.8
	Lecturers	7,192,025	133.6	8,533,008	158.9	6,123,240	113.9	6,123,240	113.9
	Release Time					2,541,084	47.3	2,541,084	47.3
	Management	1,759,960	13.0	1,807,715	13.0	1,807,715	13.0	1,807,715	13.0
	Non-Represented	1,483,219	17.8	1,534,284	17.8	1,534,284	17.8	1,534,284	17.8
	Represented Staff	4,584,221	94.5	4,486,907	94.0	4,566,707	95.5	4,566,707	95.5
	Stipends Bonus Allowances	750	-	750	-	750	-	750	-
	Student Assistants	355,799	18.8	351,810	18.8	351,810	18.8	351,810	18.8
	Special Consultants	30,710	-	28,850	-	28,850	-	28,850	-
	Salary Pool	-	-	124,042	-	124,042	-	124,042	-
	<b>Subtotal, Salaries and Wages</b>	<b>27,262,371</b>	<b>412.5</b>	<b>30,561,400</b>	<b>467.3</b>	<b>8,414,158</b>	<b>473.1</b>	<b>8,414,158</b>	<b>473.1</b>

CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS								
Historical Staffing								
		2014/15		2015/16		2016/17		
		FINAL ALLOCATIONS		FINAL ALLOCATIONS		CAMPUS BUDGET PLAN		
		\$	FTE	\$	FTE	\$	FTE	
<b>Business &amp; Financial Affairs</b>								
PERSONNEL COSTS								
SALARIES AND WAGES								
	Management	1,055,506	7.1	10,764	7.1	1,216,366	8.1	
	Non-Represented	2,693,271	32.0	2,755,365	32.0	2,615,361	31.0	
	Represented Staff	6,182,145	121.8	6,521,581	125.8	6,541,020	125.8	
	Overtime	262,900	-	262,900	-	243,461	-	
	Stipends Bonus Allowances	186,060	-	186,060	-	186,060	-	
	Student Assistants	206,535	10.9	206,535	10.9	206,535	10.9	
	Special Consultants	6,267	-	6,267	-	6,267	-	
	Shift Differential	64,000	-	64,000	-	64,000	-	
	Salary Pool	-	-	175,860	-	175,860	-	
	<b>Subtotal, Salaries and Wages</b>	<b>10,656,684</b>	<b>171.8</b>	<b>10,189,332</b>	<b>175.8</b>	<b>11,254,930</b>	<b>175.8</b>	

CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS								
Historical Staffing								
		2014/15		2015/16		2016/17		
		FINAL ALLOCATIONS		FINAL ALLOCATIONS		CAMPUS BUDGET PLAN		
		\$	FTE	\$	FTE	\$	FTE	
<b>Student Affairs</b>								
PERSONNEL COSTS								
SALARIES AND WAGES								
	Management	568,212	4.0	579,612	4.0	579,612	4.0	
	Non-Represented	583,929	7.0	662,616	7.5	561,432	6.5	
	Represented Staff	1,588,372	32.3	1,668,957	33.3	1,819,978	36.3	
	Student Assistants	285,543	15.1	285,543	15.1	285,543	15.1	
	Salary Pool	-	-	89,840	-	79,639	-	
	<b>Subtotal, Salaries and Wages</b>	<b>3,026,056</b>	<b>58.4</b>	<b>3,286,568</b>	<b>59.9</b>	<b>3,326,204</b>	<b>61.9</b>	

CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS									
Historical Staffing									
			2014/15			2015/16			2016/17
			FINAL ALLOCATIONS		FINAL ALLOCATIONS		CAMPUS BUDGET PLAN		
			\$	FTE	\$	FTE	\$	FTE	
<b>Technology &amp; Communication</b>									
PERSONNEL COSTS									
SALARIES AND WAGES									
	Management		666,276	3.0	677,436	5.0	677,436	5.0	
	Non-Represented		395,168	5.0	403,992	4.0	403,992	4.0	
	Represented Staff		3,106,259	8.4	3,118,749	43.0	3,118,749	43.0	
	Student Assistants		20,750	2.5	207,850	11.0	207,850	11.0	
	Salary Pool				146,703		146,703		
	<b>Subtotal, Salaries and Wages</b>		<b>4,188,453</b>	<b>18.9</b>	<b>4,554,730</b>	<b>63.0</b>	<b>4,554,730</b>	<b>63.0</b>	

CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS									
Historical Staffing									
			2014/15			2015/16			2016/17
			FINAL ALLOCATIONS		FINAL ALLOCATIONS		CAMPUS BUDGET PLAN		
			\$	FTE	\$	FTE	\$	FTE	
<b>University Advancement</b>									
PERSONNEL COSTS									
SALARIES AND WAGES									
	Management		281,892	3.0	287,532	2.0	287,532	2.0	
	Non-Represented		413,928	5.0	607,488	7.0	607,488	7.0	
	Represented Staff		455,548	8.4	432,229	9.5	432,229	9.5	
	Student Assistants		63,000	2.5	63,000	3.3	63,000	3.3	
	Salary Pool				8,855		8,855		
	<b>Subtotal, Salaries and Wages</b>		<b>1,214,368</b>	<b>18.9</b>	<b>1,399,104</b>	<b>21.8</b>	<b>1,399,104</b>	<b>21.8</b>	

California State University Channel Islands				
2016/17 Original Budget Requests and Approved Budgets				
	Permanenet Base Budget			
	Request		Approved	
	\$\$	FTE	\$\$	FTE
Academic Affairs	1,247,888	17.67	353,000	4.00
Advancement	401,000	4.00		
Business & Financial Affairs	623,341	9.00		
President	286,711	4.00		
Student Affairs	490,500	4.75		
Technology & Communication	671,780	6.00		
Learning Through Experience	231,970	3.00		
<b>Total</b>	<b>3,953,190</b>	<b>48.42</b>	<b>353,000</b>	<b>4.00</b>

## Attachment 4

### Divisional Report Units/Department Listing

#### Office of the President

##### Academic Affairs

Provost and VPAA:

- › Academic Planning and Undergraduate Initiatives
- › Faculty Affairs, Faculty Recruitment, and Faculty Development
- › Student Academic Success and Equity Initiatives
- › Centers
- › Teaching and Learning Innovations

Academic Programs:

- › Arts & Sciences
- › Business
- › Education

Library

Academic Senate

Research and Sponsored Programs

Enrollment Management

Auxiliary Enterprise: Extended University (incl. Campus Partners)

Designated Operating:

Materials, Services, Facilities and Technology Fee

Instructionally Related Activities Fee

##### Advancement

Commencement

Auxiliary Organization: Foundation

##### Business & Financial Affairs

VP B&FA

Administrative Services

Facilities Services

Financial Services

Human Resources

Public Safety

Auxiliary Enterprise: Parking

Auxiliary Organization: University Auxiliary Services

Public Entity: Site and Financing Authority

**Students Affairs**

VPSA

Student Life

Wellness & Athletics

Auxiliary Enterprise: Housing & Residential Education

Auxiliary Organization: Associated Students Inc.

Student Union

Designated Operating:

Recreation & Athletics Fee

Health Services & Facilities Fee

**Technology & Communications**

VP T&C

Technology

Communications & Marketing

## Attachment 5

### Funding Request Workbook

**Your Funding Request Workbook** (question 2 above) may have identified growth plans and, if so, as part of question 1, your unit should have included a description of the funds necessary to support such growth. For this section, please provide specific requests for new initiatives in support of CI's Strategic Plan. Please provide a one-page summary to describe the request, identify how much funding is requested by an initiative, whether temporary or permanent funds are requested, and how the funds would be spent (new positions, systems, etc.).