



ACADEMIC AFFAIRS / BUSINESS & FINANCIAL AFFAIRS

October 16, 2017

Dear Colleagues,

Although the 2017-18 year has just gotten underway, we are truly excited and energized to begin the planning cycle for the 2018-2019 fiscal year (FY19) that will be informed by the Strategic Initiatives (SI) process underway this fall. The outcomes of the SI process will serve as a foundation for the development the University FY19 budget recommendation. In addition, 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 following information and process outlined below provides background information and describes the drivers to advance this commitment to support CSUCI.

University Strategic Initiatives and Resource Allocation

To strengthen the goal of resource allocation to strategic investments, we are working toward the alignment of the FY19 budget process with the Strategic Initiatives process underway. As outlined in the fall SI activities, the campus will complete work to identify several initiatives by November 2017. These include:

1. President's Committee for Inclusive Excellence
2. Capacity and Sustainability
3. Integrative Excellence
4. Academic Achievement
5. Communicating Clear Curricular Pathways

These initiatives will help to identify campus investments, if necessary, for the resource allocation process for the FY19 budget requests. Specific funding requests for both Spring 2018 and FY19 should align with the University Strategic Initiatives. See more at:

<https://www.csuci.edu/president/sisc/index.htm>

For the Spring 2018 Strategic Initiatives, the Provost will lead the process and allocation of funds. Specific instructions from the Provost will follow on the timeline and schedules for the Spring 2018 one-time allocations for Strategic Initiatives.

The following information provides guidance on the FY19 annual budget development process.

CI Budget Overview

The context for the FY19 operating budget is primarily set by three factors: the submission of the 2018-19 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. Similar drivers impact the budget planning for all other non-operating funds.

As we anticipate limited enrollment growth funding for FY19, we recommend the following modified planning process not only for the operating fund but all other funds (Auxiliary Organizations/Public entities, Designated Operating Funds, Auxiliary Enterprise funds, Other Trust funds). This planning process is comprehensive and will include planning for reserve requirements and campus space needs.

The materials submitted should continue to inform the campus discussion aligned with University Strategic Initiatives 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 16, 2018.**

The outcome of the Strategic Initiatives process in the fall will be a top priority for the University and divisional plans should reflect alignment with this direction. Budget discussions will take place during the month of February 2018. In addition, the Strategic Resource Planning Committee (SRPC) will again convene in early spring to receive presentations on all budget requests and provide input on the strategic initiative investment for the campus.

Goal

The goal of the budget resource planning process is to create a balanced and sustainable on-going budget that supports the identified Strategic Initiatives of the University. This will involve the actions that reflect strategic investments to achieve the goals of the campus strategic plan. Reallocation of resources within units should also support the strategic priorities as well.

A campus enrollment growth target of two percent has been established for FY19.

Guidelines

In developing the FY19 budget, the following parameters are provided:

- Align resource allocations with Strategic Initiatives for the near and long-term to support sustainable operating environment;
- 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 decentralized by division;
- Aim for transparency;
- Adequately build necessary reserves for all funds by 2020;
- Protect resources for strategic investments even in tough times; and
- Use challenging times as a rationale for change.

Initiating the FY19 Process

The Chancellor's Office presented to the Board of Trustees a preliminary framework for the 2018-2019 CSU Operating Budget request to the governor and the Department of Finance at its September 19-20, 2017 meeting. Using feedback provided by trustees at the September 2017 meeting, Chancellor's Office

staff will present an updated and detailed operating budget recommendation for the board's approval in November 2017.

The governor indicated for 2018-2019 and 2019-2020, the CSU should anticipate three percent increases in state appropriation in each of those years, which closely aligns with forecasted rates of inflation. This is down from prior proposals of four percent per year.

The governor's three percent proposal would provide a \$102 million increase in 2018-2019. The CSU's preliminary incremental budget request ranges between \$256 - \$377 million. This leaves an additional operating budget request of \$134 - \$215 million.

The final budget request will be presented to the board for review and approval in November 2017.

CSUCI Campus Planning

While the activities and actions to be finalized by the Chancellor's Office occur, our campus will be its budget development planning cycle:

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

- The planning schedule for the FY19 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 16, 2018. 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 all funds 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. Questions about the preparation of schedules may also be directed to Jennifer.

We will share with the campus additional information unfolds on the state budget and as FY19 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,

Geoffrey Chase, Ph.D.
Provost

Ysabel Trinidad
CFO and VP for Business & Financial Affairs

Cc: President Erika Beck

Attachments

- 1 – FY19 Budget Development Planning Schedule
- 2 – Supplemental Questions
- 3 – Divisional Data Summaries
- 4 – Divisional Report Units/Departments 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 all follow the timelines included in this memo.** Budgets are to be submitted to B&P by February 16, 2018 and include FY19 budget actions as part of the appropriate board agendas for review and recommendation no later than April 2018. 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 framed around the University Strategic Initiatives based upon the estimated headcount for FY19. **These funds should all follow the timelines included in this memo.** Budgets are to be submitted to B&P by February 16, 2018. 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 pro formas prepared at the time debt was issued. B&P keeps the pro formas updated with prior year's actuals and workbooks are available through 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 16, 2018.** Once reviewed B&P will forward to the VP for Business & Financial Affairs and the President for final approval

Reserve Requirements apply to all funds and specific requirements exist for setting aside reserves to cover items such as economic uncertainty, future debt service, future construction, maintenance and repairs, and working capital. Please refer to the Policy on University and Auxiliary Operating Reserves that was approved on 10/17/2016. <http://policy.csuci.edu/fa/04/fa-04-002.htm>. 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. Once reviewed B&P will forward to the VP for Business & Financial Affairs and the President for final approval.

Any requests for **Increases to currently established fees** must follow this timeline and coincide with any budget requests. This includes, but is not limited to: student housing rates; dining rates; conference & event rates; increases to operating fund generated revenue (category IV fees). Adjustments must be

submitted to B&P by February 16, 2018. Once review B&P will forward to the VP for Business & Financial Affairs and the President for final approval.

Space Requests: Please refer to the Minor Capital Outlay Policy that was approved on May 3, 2016. This will serve as a resource for next steps to ensure that additional space needs requests 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

FY19 Budget Development Planning Schedule*

2017

September	Student Fee Advisory Committee begin meetings for FY19; Cost Allocation plan discussions begin, Reserve allocation discussions begin
October 6	Strategic Resource Planning Committee (SRPC) meeting; Launch of FY19 Planning and current year budget updates
October 11	FY18 Budget Instructions distributed to Campus Budget Heads and posted; FY18 Divisional/Unit Budget Preparation officially begins
October 11 – February 16	Divisions/Units prepare FY19 budget requests based on unit-divisional goals and objectives and linked to the University's strategic plan goals

2018

January	Governor submits budget to Legislature
February 16	FY19 budgets due to Budget & Planning
February 16	Budget & Planning begins initial review of FY19 budget submissions
February	Cabinet budget discussions take place <ul style="list-style-type: none">• Campus Town Hall meetings take place to present proposals by divisions to the campus community• SRPC convenes to provide input on FY19 budget submissions and discuss Cabinet updates
March	Final draft budget prepared based on divisional requests and SRPC and SI input
April	Vice Presidents complete plans for their respective division and share final plans with SRPC/SI
April	Final FY19 Budget recommendations to President
April	Hyperion B&P open for input for all units for FY19 budget
May	Governor's May Revise
June	Hyperion closes for further input for all units
June	President approves FY19 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; all funds), 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 unit 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 FY19.

3. **Space.** Considering your unit strategic plans please provide a short summary (1-2 pages at most per direct reporting unit/department/fund) 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							
		2015/16		2016/17		2017/18	
		FINAL ALLOCATIONS		FINAL ALLOCATIONS		CAMPUS BUDGET PLAN	
		\$	FTE	\$	FTE	\$	FTE
<i>Office of the President</i>							
PERSONNEL COSTS							
SALARIES AND WAGES							
	Management	527,907	3.0	545,140	3.0	545,140	3.0
	Non-Represented	469,608	6.0	246,204	3.0	246,204	3.0
	Represented Staff	447,040	8.4	324,147	5.9	324,147	5.9
	Overtime	1,500	-	1,500	-	1,500	-
	Stipends Bonus Allowances	60,000	-	60,000	-	60,000	-
	Student Assistants	53,070	2.9	53,070	2.9	53,070	2.9
	Salary Pool	37,856	-	-	-	8,243	-
	Subtotal, Salaries and Wages	1,596,981	20.3	1,230,061	14.8	1,238,304	14.8
<i>Academic Affairs</i>							
PERSONNEL COSTS							
SALARIES AND WAGES							
	Tenure Track Faculty	12,990,506	155.0	13,826,054	156.0	14,539,454	156.0
	Department Chair	11,595,649	-	12,000,329	-	404,680	-
	Librarians	703,528	9.8	836,698	10.8	836,698	10.8
	Lecturers	8,533,008	158.9	6,499,011	113.9	5,929,011	104.0
	Release Time			2,697,240	47.3	3,084,840	54.0
	Management	1,807,715	13.0	1,884,611	13.0	1,884,611	13.0
	Non-Represented	1,534,284	17.8	1,693,707	18.8	1,693,707	18.8
	Represented Staff	4,486,907	94.0	4,821,552	96.8	4,821,552	96.8
	Stipends Bonus Allowances	750	-	750	-	750	-
	Student Assistants	351,810	18.8	351,810	18.8	351,810	18.8
	Special Consultants	28,850	-	28,850	-	28,850	-
	Salary Pool	124,042	-	14,302	-	103,552	-
	Subtotal, Salaries and Wages	42,157,049	467.3	44,654,914	475.4	33,679,515	472.2
<i>Business & Financial Affairs</i>							
PERSONNEL COSTS							
SALARIES AND WAGES							
	Management	1,076,362	7.1	1,309,836	8.1	1,309,836	8.1
	Non-Represented	2,755,365	32.0	2,976,745	36.0	2,976,745	36.0
	Represented Staff	6,521,581	125.8	6,433,464	120.0	6,433,464	120.0
	Overtime	262,900	-	243,461	-	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	-	107,010	-	220,241	-
	Subtotal, Salaries and Wages	11,254,930	175.8	11,533,378	175.0	11,646,609	175.0

CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS								
Historical Staffing								
			2015/16		2016/17		2017/18	
			FINAL ALLOCATIONS		FINAL ALLOCATIONS		CAMPUS BUDGET PLAN	
			\$	FTE	\$	FTE	\$	FTE
Student Affairs								
PERSONNEL COSTS								
	SALARIES AND WAGES							
	Management		579,612	4.0	591,204	4.0	591,204	4.0
	Non-Represented		662,616	7.5	720,246	8.5	720,246	8.5
	Represented Staff		1,668,957	33.3	1,644,953	32.2	1,644,953	32.2
	Student Assistants		285,543	15.1	285,543	15.1	285,543	15.1
	Salary Pool		89,840		66,602	-	96,796	-
	Subtotal, Salaries and Wages		3,286,568	59.9	3,308,548	59.8	3,338,742	59.8
Technology & Innovation								
PERSONNEL COSTS								
	SALARIES AND WAGES							
	Management		677,436	5.0	727,284	5.0	727,284	5.0
	Non-Represented		403,992	4.0	205,812	2.0	205,812	2.0
	Represented Staff		3,118,749	43.0	2,961,204	38.0	2,961,204	38.0
	Student Assistants		207,850	11.0	207,850	11.0	207,850	11.0
	Salary Pool		146,703		90,330		121,565	
	Subtotal, Salaries and Wages		4,554,730	63.0	4,192,480	56.0	4,223,715	56.0
University Advancement								
PERSONNEL COSTS								
	SALARIES AND WAGES							
	Management		287,532	2.0	408,540	3.0	408,540	3.0
	Non-Represented		607,488	7.0	773,280	9.0	773,280	9.0
	Represented Staff		432,229	9.5	1,027,479	21.0	1,027,479	21.0
	Student Assistants		63,000	3.3	63,000	3.3	63,000	3.3
	Salary Pool		8,855		66,647		89,553	
	Subtotal, Salaries and Wages		1,399,104	21.8	2,338,946	36.3	2,361,852	36.3

Attachment 4

Divisional Report Units/Departments Listing

Office of the President

Institutional Research, Planning and Effectiveness

Academic Affairs

Provost:

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

Academic Programs:

- › Arts & Sciences
- › Business
- › Education
- › Santa Rosa Island Research Station

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

Communications & Marketing

Conference & Events

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

Campus Life

Retention, Outreach & Inclusive Student Services

Wellness & Athletics

Auxiliary Enterprise: Housing & Residential Education

Auxiliary Organization: Associated Students Inc.

Student Union

Designated Operating:

- › Recreation & Athletics Fee
- › Health Services & Facilities Fee

Technology & Innovation

VP T&I

Technology

Attachment 5

Funding Requests 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.).