AGENDA

I. CSU 2017-18 Audited Financials
I. General Fund Reserves
I. Budget Planning
   ● Assumptions
   ● Draft Budget Principles to Guide Discussions
   ● Budget Timeline
I. Discussions / Comments / Questions
CSU 2017-18 Financials

- Annual financial audits of all CSU campus financial information are conducted by KPMG. The 2017-18 audited financials for the CSU System as a whole will be presented to the CSU Board of Trustees at their March 18-20, 2019 meeting. The agenda item can be found here: https://www2.calstate.edu/csu-system/board-of-trustees/past-meetings/2019/Documents/mar-18-20-aud.pdf

- Beginning Fiscal Years Ended June 30, 2015 and later, campuses are required to be in compliance with GASB 68 (Governmental Accounting Standards Board). This requires us to reflect pension liability in our audited financial statements.
2017/18 Reserves

Reserve Designations as mandated by CSU Reserve Policy (ICSUAM 2001)

Capital Improvements - Used to designate funds for future capital needs, including new construction or improvements to existing facilities.

Program Development - Used to designate funds for future program development activities such as Health Services Fee, Lab Fees, MSFT Fees, Program Development and CO Allocations.

Economic Uncertainty - Used to reserve funds up to an amount equivalent to 50% of the current year's operating budget for use in the event of significant budget cuts. Six months operating totals approximately $50 million.

Facilities Maintenance and Repairs - No investment to date; investment prudent.
BUDGET PLANNING

- Assumptions
- Budget Principles
- Timeline
Assumptions

2019/20

- Funded enrollment growth; likely greater than the 2% increase projected
- No tuition increase
- Compensation - Adjust through FY 2021/22 as reflected in CBA’s
- Redirects
Draft Budget Principles to Guide Discussions

- Achieve a balanced and sustainable annual budget.
- Reallocate and prioritize resources to support strategic initiatives.
- Emphasize a long-term planning perspective.
- Enhance revenue generation (new revenue streams, strategic use of fees, etc.).
- Remain flexible in an effort to preserve momentum toward strategic initiatives.
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<tr>
<th>Date</th>
<th>Event</th>
<th>Description</th>
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<tr>
<td>Feb 15</td>
<td>Final Division Budget Submissions</td>
<td>Final documents due to Budget &amp; Planning</td>
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<tr>
<td>March 19-20</td>
<td>CSU Board of Trustees Meeting</td>
<td>System-wide budget update, preliminary campus allocations</td>
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<td>March 25</td>
<td>Budget Town Hall</td>
<td>Division presentations/budget requests; general budget update.</td>
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<td>April 26</td>
<td>Budget Units</td>
<td>Hyperion opens for data entry.</td>
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<td>May 3</td>
<td>SRPC Meeting</td>
<td>Final draft budget discussion.</td>
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<td>May 10 (T)</td>
<td>Governor's May Revise</td>
<td>Tentative release date only.</td>
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<td>June 15</td>
<td>CA Budget Act</td>
<td>State Legislature expected to pass final state budget</td>
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<td>June 28</td>
<td>Campus Deadline</td>
<td>Final budgets must be entered into Hyperion.</td>
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<td>July 23-24</td>
<td>CSU Board of Trustees Meeting</td>
<td>Final CSU budget approval.</td>
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Discussions / Comments / Questions