



# FY 2019/20 Budget Town Hall

Petit Salon  
Monday, March 25, 2019  
10:30 am

# BUDGET UPDATE TOPICS

- I. Context for the 2019/20 Budget
- II. CSU System Request
- III. Governor's January Budget
- IV. CSUCI Planning
  - Assumptions
  - Budget Principles
  - Timelines and Key Dates
- V. Strategic Initiatives Proposals

# CONTEXT FOR THE 2019/20 BUDGET

- State-level Budget
- CSU Budget Request vs. Governor's Proposed Budget (*January 2019*)

# State-level Budget

## The Good News

- California economy now 5th largest in the world. An unprecedented period of economic growth.
- Record low unemployment.
- State anticipating significant budget surplus - current estimate at \$21 B. Governor's focus continue **building reserves**, and paying down state debts and unfunded liabilities.

## The Cautions

Economic condition can change quickly. Concerns about an approaching **recession** are rising. Volatility and risks attributed to federal level policy decisions, aging population, and ongoing housing shortage.

# Governor's Proposed Budget

**\$300 million** increase in ongoing state funds

| Category  | In Millions |
|---|-------------|
| <input type="checkbox"/> Operating Costs          | 193         |
| <input type="checkbox"/> Graduate Initiative 2025 | 45          |
| <input type="checkbox"/> 2% enrollment growth     | 62          |
| <b>Total</b>                                      | <b>300</b>  |

“The single largest proposed investment by any governor in the history of the CSU.”

Focus on increasing access, preserving affordability, and improving student success and timely degree completion.

# Governor's Proposed Budget

**\$264 million** increase in one-time funds

| Category  | In Millions |
|---|-------------|
| <input type="checkbox"/> Deferred maintenance backlog/child care facilities expansion | 247         |
| <input type="checkbox"/> Basic Needs partnerships<br><i>(*hunger/housing needs)</i>   | 15          |
| <input type="checkbox"/> Feasibility Study/San Joaquin Valley                         | 2           |
| <b>Total</b>  | <b>264</b>  |

*Additional funding: \$250,000 to support Project Rebound (to assist previously incarcerated prospective students)*

# CSU Budget Request

**\$554.3 million** increase in ongoing funds

| Expenditures  | In Millions  |
|---|--------------|
| <input type="checkbox"/> Graduate Initiative 2025   | 75.0         |
| <input type="checkbox"/> Employee Salaries  | 147.8        |
| <input type="checkbox"/> Academic Facilities/Infrastructure   | 80.0         |
| <input type="checkbox"/> Mandatory Costs Increases<br><i>(*Health benefits, retirement, maintenance of new facilities, and minimum wage increases.)</i> | 45.4         |
| <input type="checkbox"/> 5% Increase in Enrollment<br><i>(*Would add 18,207 Full-Time Equivalent Students)</i>  | 206.1        |
| <b>Total</b>  | <b>554.3</b> |

| Anticipated Revenue   | In Millions  |
|---|--------------|
| <input type="checkbox"/> Tuition from Enrollment Growth       | 98.3         |
| <input type="checkbox"/> Board of Trustees Additional Request | 456.0        |
| <b>Total</b>  | <b>554.3</b> |

Governor's proposed budget assumes **no tuition increase.**

# CSU Budget Request

**\$265 million** request for one-time funds

| Category  | In Millions |
|---|-------------|
| <input type="checkbox"/> Deferred Infrastructure  | 250         |
| <input type="checkbox"/> Basic Needs Partnerships | 15          |
| <b>Total</b>                                      | <b>265</b>  |



# CSU Request vs. Governor's Budget: *Ongoing Funds*

| Investment Area                 | CSU Request    | Governor's January Proposal |
|---------------------------------|----------------|-----------------------------|
| Compensation Increases          | 147.8          | 148.0                       |
| Mandatory Cost Increases        | 45.4           | 45.0                        |
| Graduate Initiative             | 75.0           | 45.0                        |
| Increase in Resident Enrollment | 206.1          | 62.0                        |
| Facilities & Infrastructure     | 80.0           | 0                           |
| <b>Total (<i>Ongoing</i>)</b>   | <b>\$554.3</b> | <b>\$300.0</b>              |

# CSU Request vs. Governor's Budget: *One-time Funds*

| Investment Area   | CSU Request    | Governor's January Proposal |
|---|----------------|-----------------------------|
| Deferred Maintenance                                    | 250.0          | 247.0                       |
| Basic Needs Partnerships                                | 15.0           | 15.0                        |
| Feasibility Study/San Joaquin Valley                    |                | 2.0                         |
| <b>Total (<i>One-time</i>)</b>                          | <b>\$265.0</b> | <b>\$264.0</b>              |
|   |                |                             |
| <b>Total Combined<br/>(<i>Ongoing and One-time</i>)</b> | <b>\$819.3</b> | <b>\$564.0</b>              |

# CSUCI PLANNING

- Assumptions
- Budget Principles
- Timeline and Key Dates

# CSUCI 2019/20 Planning Assumptions

- Funded enrollment growth; likely greater than the 2% increase projected
- No tuition increase
- Compensation - Adjust through FY 2021/22 as reflected in collective bargaining agreements
- Redirects

# CSUCI Budget Principles

- 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.

# Budget Timeline Key Dates

|            |                       |  |
|------------|-----------------------|--|
| April 26   | Budget Units          | Hyperion opens for data entry  |
| May 3      | Budget Town Hall      | Division presentations/budget requests; general campus budget update |
| May 10     | Governor's May Revise | <i>Tentative release date only</i>                                   |
| June 15    | CA Budget Act         | State Legislature expected to pass final state budget                |
| June 28    | Campus Deadline       | Final budgets entered into Hyperion                                  |
| July 23-24 | CSU Board of Trustees | Final CSU budget approval  |

# STRATEGIC INITIATIVES - Second Year Proposals

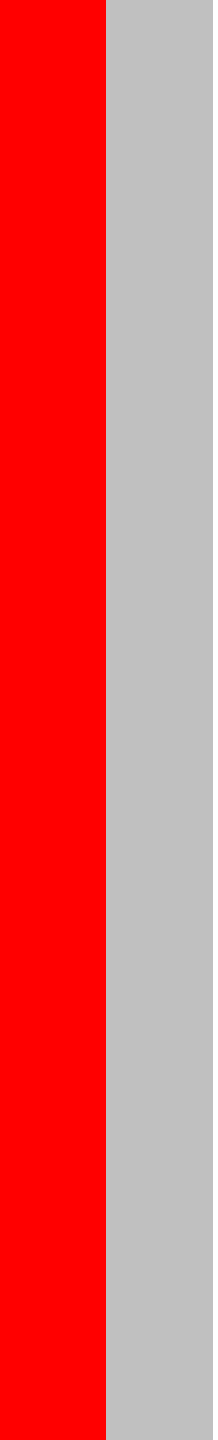
- FY19-20 Cycle Timeline

# Strategic Initiatives FY19-20 Timeline (high-level)

- February**      **SRPC** to issue instructions for Strategic Initiatives Proposals
- May**            **All divisions** submit their Strategic Initiatives proposals to their respective Cabinet member
- August**        **All divisions** submit their respective proposals to the SRPC
- September**    **SRPC** reviews proposals and issues funding recommendations to the Presidents for consideration
- October**        **President** announces final funding allocations for proposals
- November**     funding made available to **awardees**

<https://www.csuci.edu/president/initiatives/work-and-next-request-proposals.htm>





Questions / Comments

Thank You