



# Strategic Resource Planning Committee

Virtual  
Friday, September 11, 2020  
1:00 – 2:30 PM

# Topics

1. Welcome (Provost Say)
2. 2019/20 Budget Overview
  - COVID-19 Related Expenditures and Lost Revenue
  - Operating Reserves
3. 2020/21 Budget Overview
  - State
  - CSU
  - CSUCI
4. 2020/21 Fall and Spring Planning
  - Multi-year forecast
5. Q&A

# Strategic Resource Planning Committee (SRPC)

## Charge and Objectives

### Charge:

Advisory committee to the President on matters pertaining to the development of the University budget, alignment of fiscal resources to strategic priorities, and fiscal sustainability.

### Objectives:

- Strengthen the relationship between **campus planning and fiscal resource allocation** (budgeting)
- Ensure **transparency** and build **awareness**
- **Advance the mission** of the institution - service to our students and community

# 2020/21 SRPC Committee

## **Cabinet:**

Elizabeth Say, Interim Provost (co-chair)

Ysabel Trinidad, Vice President for Business and Financial Affairs (co-chair)

Richard Yao, Vice President for Student Affairs

Nichole Ipach, Vice President for University Advancement

Genevieve Evans Taylor, Chief of Staff

## **Faculty Representation:**

Gregory Wood, Associate Professor – Physics and Academic Senate Chair

Annie White - Early Childhood Studies and Senate Budget Representative

Alona Kryshchenko, Assist Prof – Mathematics and Faculty-at-Large

## **Staff Representation:**

Annie Block-Weiss - Staff Council Chair

Leticia Romero, Systems Analyst and Staff-at-Large

## **Committee Support:**

Barbara Rex, AVP of Budget, Planning, & Analysis

Lisa Woods, Manager, Budget & Information Systems

Teresa Montoya, Administrative Assistant

## **Student Representation:**

Vacant - Student Government Representative

Isaiah Ball - Student Government Chief of Staff and Student-at-Large

# Budget Overview

# 2019/20

## Final Losses due to COVID-19

1. General Fund Unbudgeted Expenses - \$125,000
  - All Funds = \$215,000
2. 2019/20 Total Lost Revenue - \$12 M (February - June)
  - Refunds: Housing, Dining, Parking and ExEd - \$5.5 M
  - Summer Conferencing & Events
  - UAS Catering
  - Extended University
  - Parking
3. 2020/21 Summer - Lost Revenue - \$2.7 M (July - August)
  - Summer Conferencing & Events
  - UAS Catering
  - Extended University
4. Estimated 20/21 Fall - Lost Revenue - \$11.6 M (Sept - Dec)
  - Housing/UAS Catering/Parking/Extended University

# General Fund Reserve June 30, 2020

## Reserve Balance

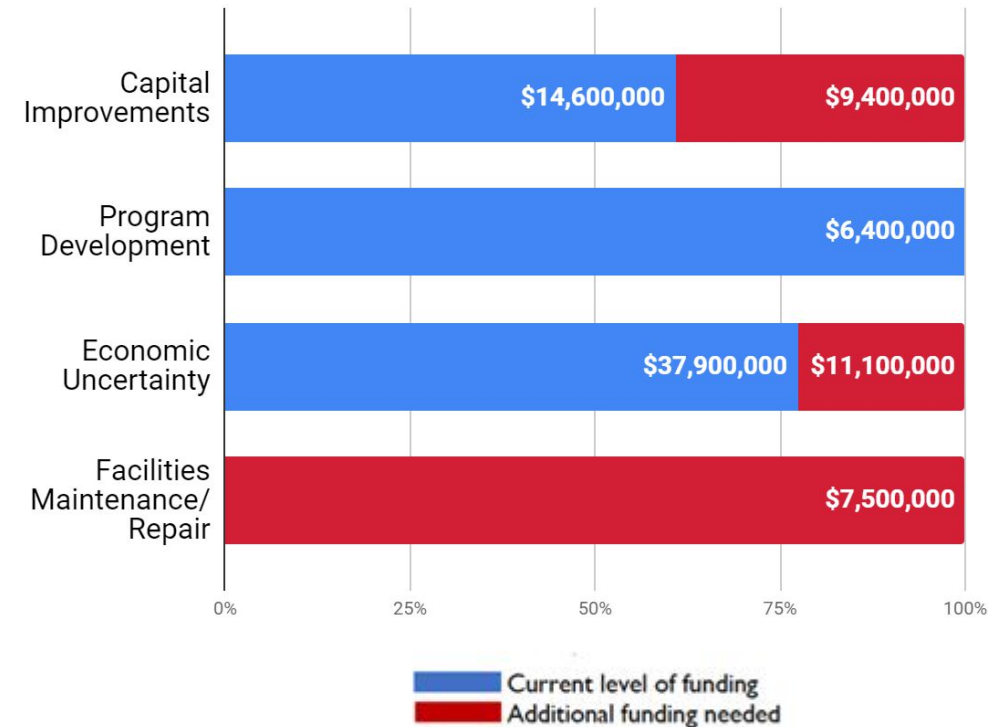
Economic Uncertainty: \$37.9M

### Uses in 2020/21:

- Bridge \$5.1M permanent reduction using one-time funds
- Bridge \$1.9M reduction in tuition using one-time funds
- Bridge unfunded mandatory costs of \$700,000 using one-time funds
- Bridge auxiliary shortfalls
- Adjustment for benefits shortfalls
- Earmark funds for employee early exit program - in planning stages

### Uses in 2021/22 and 2022/23:

- Bridge funding for future shortfalls



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

**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.

**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.

# 2020/21 Budget Overview - State and CSU

## **State Budget**

- Deficit = \$54.3 billion

## **CSU Budget**

- State Appropriations reduction of \$498.1 million
  - Base increase of approximately \$199 million
  - Net General Fund decrease of approximately \$299.1 million



# 2020/21 Budget Overview - CSUCI

## CSUCI Budget

- Goals and Guidelines
- Assumptions including Chancellor's Office Information
- Short-term Strategy to balance the 2020-21 Budget
- Process to Address Permanent Reduction
- Timeline

# 2020/21 Budget Overview - CSUCI

## Goal

The goal of the budget resource planning process is to **create a balanced and sustainable ongoing budget** that supports the University's Strategic Initiatives and GI 2025 goals. This involves strategic investments, assessing capacity, and reallocating existing resources to align with divisional and University priorities.

For FY 21, develop a framework to mitigate anticipated challenges.

*(presented at May 7, 2020 SRPC meeting)*

# 2020/21 Budget Amended Guidelines

(Reviewed and discussed at May 7, 2020 SRPC meeting)

In developing the FY21 budget, the following parameters are provided:

- Align available resource allocation to **support sustainable operations** in relation to our Strategic Initiatives and GI 2025 goals that support student success;
- Incorporate on-going **accountability** (reallocations or other actions to demonstrate how the has adequately assessed capacity) into the resource allocation process;
- Engage in planning to respond to potential fluctuation in enrollment and changes to state appropriations and tuition;
- Ensure **transparency**;
- Protect resources for **strategic investment** during times of economic uncertainty; and
- Use challenging time as an opportunity for **innovation**.

# 2020/21 Budget Shortfall

## CSUCI Budget



\* Projected

# Assumptions for CSUCI

- Operating Budget remains flat with \$7.0 million reduction noted
- To balance the 2020-21 budget now temporarily on a **one-time basis**, use of Reserves for Economic Uncertainty and modest operating adjustments are recommended

# Summary of Campus Budget Changes

<b>Prior Year Campus Operating Budget</b> (excludes lottery)		<b>\$139,808,750</b>
State Appropriation Change	(5,101,610)	
Tuition Revenue Change	(1,918,070)	
<b>Total State and Tuition Revenue Change</b>		<b>(7,019,680)</b>
Category II Fee Change		(335,940)
Application Fee Revenue Change		(49,500)
<b>FY 2020-21 Operating Budget</b>		<b>\$132,403,630</b>
<b>Restricted Funds - Lottery</b>		<b>585,000</b>
Prior Year Auxiliary Enterprise and Operations Budget	54,267,750	
Auxiliary Activities Revenue Change	(24,206,880)	
<b>FY 2020-21 Auxiliary Activities</b>		<b>\$30,060,870</b>
<b>Total Revenues</b>		<b>\$163,049,500</b>

# Short-term Strategy to Address Reduction

## Reduction total: \$7 million

Application to address reduction\*\*

- Furloughs - contemplating in 2021/22
- Use of Reserves for Economic Uncertainty to bridge the gap - \$6.4 million
- Operating budget freeze of most Travel - \$600,000

Not included in \$7M reduction:

- Unfunded Mandatory Costs (health, min. wage, etc.) - \$700,000

\*\*All one-time funds

# Process to Address Permanent Reduction

## 2020/21 Budget

- SRPC convenes at the beginning of the fall semester
- Host Town Hall to discuss 2020-21 budget status
- Identify permanent funds to address 2020-21 reduction
  - Identify any central funds to help close the gap
  - Each Division convenes to discuss options to help address permanent reduction
- Permanent reductions are identified by Spring 2021 with recommendation to the President

## 2021/22 Budget

- Move planning for Fall 2020 semester launch to Spring 2021
  - Allows for information to be gathered to inform campus discussions, i.e., CSU 2021/22 budget, State forecasts (LAO), Governor's January 2021 budget, etc.
- Goal: Respond to external factors and aim for a balanced budget



# Multi-Year Forecast

## Planning for 2021-22 and 2022-23 Budget Year

- Develop assumptions
  - Enrollments for 2021-22 and 2022-23
  - Support for new funding from the state and other sources
  - Future use of Reserves for Economic Uncertainty
  - New Program Investments
- Some opportunities and strategies to address 2020/21 reduction
  - Limits on new employee hiring
  - Limits to travel
  - Reallocations
  - Create greater operational efficiencies
  - Cost avoidances

# Planning Schedule with Milestones

## 2020/21

**Jul 21-22, 2020**

CSU Board of Trustees Meeting

**Sep 2020**

President Beck's Budget Memo

**Sep 2020 - May 2021**

SRPC and Campus Discussions -

Fall semester: 2020-21 Budget

Spring semester: 2021-22 Budget

**Oct 1, 2020**

Deadline for Congress to Fund HEROs

**Nov 17-18, 2020**

CSU Board of Trustees Meeting

**Jan 2021**

Governor's January Budget Released

# Fall 2020 SRPC Meeting Dates

**SRPC Meeting #1**

**Sep 3** Thursday 1:00 - 2:30 pm

**Budget Town Hall - Budget Overview**

**Sep 11** Friday 1:00 - 2:00 pm

**Budget Town Hall - Divisional Updates**

**SRPC Meeting #2**

**Oct 8** Thursday 1:00 - 2:00 pm  
2:00 - 2:30 pm

**SRPC Meeting #3**

**Oct 22** Thursday 1:00 - 2:30 pm

**SRPC Meeting #4**

**Nov 12** Thursday 1:00 - 2:30 pm

**SRPC Meeting #5**

**Dec 4** Friday 1:00 - 2:30 pm

*Finals Quiet Week*

*Dec 7 - 11*

# Q&A

Please type your question below in the Q&A section

# 2020/21 Budget and 2021/22 Planning

## Supporting Our University Strategic Initiatives

**Educational Excellence**  
**Student Success**  
**Inclusive Excellence**  
**Capacity and Sustainability**

**Thank You and Stay Well**