

The background of the slide is a grayscale photograph of a building with a tiled roof and palm trees. A solid red vertical bar is positioned on the far left side of the image. A red horizontal bar is overlaid across the middle of the image, containing the main title in white text.

Strategic Resource Planning Committee

Madera Hall 2381 (9:00am)
January 25, 2019

Agenda

I. Context for the 2019/20 Budget

- State of the Economy
- CSU Budget Request vs. Governor's Proposed Budget (January 2019)
- Next Steps

II. Strategic Initiatives

- FY19-20 Proposal Process Timeline
- Next Steps

CONTEXT FOR THE 2019/20 BUDGET

- *State of the Economy*
- *CSU Budget Request vs. Governor's Proposed Budget (January 2019)*
- *Next Steps*

State-level Budget

The Good News

- California economy now 5th largest in the world. We continue to experience an unprecedented period of economic growth.
- State experiencing record low unemployment.
- State anticipating significant budget surplus - current estimate at \$21B. Governor poised to continue to **build reserves** in preparation for next recession, also well to continue paying down state debts and unfunded liabilities.

The Cautions

Economic condition can change quickly. Concerns about an approaching **recession** are rising. Wide range of federal level policy decisions are contributing to volatility. Additional state risks include aging population and ongoing housing shortage.

CSU Budget Request

\$554.3 million increase in ongoing funds

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

Anticipated Revenue	In Millions
❑ Tuition from Enrollment Growth	98.3
❑ Board of Trustees Additional Request	456.0
Total	554.3

\$265 million request for one-time funds

Category	In Millions
❑ Deferred Infrastructure	250
❑ Basic Needs Partnerships	15
Total	265

Governor's Proposed Budget

\$300 million increase in ongoing state funds

Category	In Millions
❑ Operating Costs	193
❑ Graduate Initiative 2025	45
❑ 2% enrollment growth	62
Total	300

\$264 million increase in one-time funds

Category	In Millions
❑ Deferred maintenance backlog/child care facilities expansion	247
❑ Basic Needs partnerships (*hunger/housing needs)	15
❑ Feasibility Study/San Joaquin Valley	2
Total	264

“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.

Other notes:

- Governor's proposed budget assumes no tuition increase.
- *Additional funding:* \$250k to support Project Rebound (to assist previously incarcerated prospective students)

CSU Request vs. Governor's Budget

Investment Area		CSU Request	Governor's January Proposal
Ongoing	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
	Total (Ongoing)	\$554.3	\$300.0
One-time	Deferred Maintenance	250.0	247.0
	Basic Needs Partnerships	15.0	15.0
	Feasibility Study/San Joaquin Valley		2.0
	Total (One-time)	\$265.0	\$264.0
Total Combined		\$819.3	\$564.0

Next Steps

- From the Chancellor's Office:
 - CSU will support the Governor's budget including no tuition increase; larger policy issues for the state.
 - Advocacy at all levels across the CSU to support the CSU budget request.
- CSUCI:
 - Continue to support the momentum of CSUCI Strategic Initiatives.

State and CSU Budget Issuance Timeline

January	Governor Issues Initial Budget Proposal
Feb 15	Divisional Budgets due to Budget & Planning
March	Preliminary CO Allocations
May	Governor Issues May Revise Budget
June 15	State Legislature passes annual Budget Act
July	CO final allocations

STRATEGIC INITIATIVES

- *FY19-20 Timeline (a Transition Year)*
- *Next Steps*

Strategic Initiatives FY 19-20 Timeline

February 2019

SRPC issues Instructions for Strategic Initiatives proposals
(late February)



March – May 2019

All divisions work internally to prepare Strategic Initiatives proposals, and submit to their respective Cabinet member in *May*.



June - August 2019

Each Cabinet member uses the Summer to review and finalize the proposals that will be put forward from their respective divisions.

All divisions submit final their respective Strategic Initiatives proposals to the SRPC by *end of August*.



Strategic Initiatives FY19-20 Timeline (*...continued*)

September 2019

SRPC reviews Strategic Initiatives proposals. Requesters invited to present on their proposals.

SRPC sends Strategic Initiatives funding recommendations to President for consideration by *end of September*.



October - November 2019

President announces final funding allocations for Strategic Initiatives projects *in October*.

SRPC notifies Strategic Initiatives funding recipients about funding allocations.

Strategic Initiatives Implementation Team (SIIT) contacts funding recipients.

Strategic Initiatives funding for FY19-20 becomes available to awardees (*November*).



February – March 2020

Partially funded FY19-20 Strategic Initiatives projects submit supplemental information to SRPC to support requests for remaining installment of funds *in February 2020*.

President reviews and approves remaining funding installments for FY19-20 partially funded projects in March 2020.

SRPC notifies partially funded project funding recipients about Presidents funding decisions.

Remaining funding for partially funded projects becomes available to awardees, as appropriate.



Annual Reports for Strategic Initiatives Funding Recipients

All Strategic Initiatives funding recipients are required to submit annual reports illustrating measurable impacts. These reports are due to the SRPC one year after funds become available to awardees.

- Strategic Initiatives projects funded for **FY18-19** are due to the SRPC in **January 2020**.
- Strategic initiatives projects funded for **FY19-20** will be due to the SRPC in **November 2020**.

Next Steps

Updated Proposal and Reporting Package forms for FY19-20

- Updated Proposal form, Rubric, Budget Detail, and Reporting form shared with SIIT on Wednesday, January 23rd for feedback.
- FY19-20 forms to be shared with SRPC at February meeting for approval. Instructions for submitting proposals to be sent out soon after.



DISCUSSION/COMMENTS/QUESTIONS