Topics

- Welcome and Approval of Nov 19, 2020 SRPC meeting minutes
- New SRPC Member Introduction
- FY 2020-21 Budget Overview & Update
- Spring Enrollment Update and Outlook (Guest: H. Dang)
- FY 2021-22 Budget Planning Context and Call for Proposals
- HEERF II Update
- Q&A

**Meeting Objective:** Discussion on FY 2021-22 Campus Planning
Strategic Resource Planning Committee (SRPC)

Objectives

• Strengthen the relationship between campus planning and budgeting

• Ensure transparency and build awareness

• Advance the mission of the institution - service to our students and community

The committee serves in an advisory capacity to the President on matters pertaining to the development of the University budget, alignment of fiscal resources to strategic priorities, and fiscal sustainability. The committee also serves as a conduit to enhance campus-wide understanding of the campus budget and engage stakeholders in the budget development process.
2020/21 SRPC Committee – Fall 2020

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, Assistant Professor – 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:
- Isaiah Ball - Student Government Chief of Staff and Student-at-Large
- Sergio Mercado - Associated Students Inc. - The CI View and Student-at-Large
SRPC Membership Expansion - Spring 2021

President/VPs/Provost/Chief of Staff = 6 (1 new)

Faculty Representation = 4 TTF (Library - new)

Lecturer Representation = 1 (new)

Dean Representation = 1 (new)

Staff Representation = 3 (+1)

Student Representation = 2

Total Members = 17 (+5 new)

Ex Offico Members = 5 (primary divisional budget analysts + AVP Enrollment Management)
2020/21 SRPC Committee – Spring 2021

Cabinet:
Richard Yao, Interim President
Ysabel Trinidad, Vice President for Business and Financial Affairs
Mitch Avila, Provost
Nichole Ipach, Vice President for University Advancement
Toni DeBoni, Interim Vice President for Student Affairs
Kaia Tollefson, Interim Chief of Staff

Faculty Representation:
Gregory Wood, Associate Professor – Physics and Academic Senate Chair (term ends Spring 22)
Annie White, Assistant Professor - Early Childhood Studies and Senate Budget Representative
Alona Kryshchenko, Assist Prof – Mathematics and Faculty-at-Large
Nikki Lewis, Lecturer - Business and Lecturer-at-Large
Colleen Harris, Head of Instruction, Engagement & Assessment and Faculty-at-Large

Dean Representative:
Vandana Kohli, Dean for the School of Arts and Sciences

Staff Representation:
Annie Block-Weiss - Staff Council Chair
Leticia Romero, Systems Analyst and Staff-at-Large
Christine Joyau, Analyst to the Dean of Students Office and Staff at Large

Student Representation:
Isaiah Ball - Student Government Chief of Staff and Student-at-Large
Sergio Mercado - Associated Students Inc. - The CI View and Student-at-Large

Committee Support:
Barbara Rex, AVP of Budget, Planning, & Analysis
Lisa Woods, Manager, Budget & Information Systems
Teresa Montoya, Administrative Assistant
FY 2020-21 Budget Overview
Budget Guidelines
(Reviewed and discussed at May 7, 2020 SRPC meeting)

In developing the 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 areas have 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**.
Fall Planning Accomplishments

- Campus Engagement & Communications
- 2020-21 Budget Cuts
- Early Exit Program
2020/21 Budget Reductions

Total Funding Shortfall
$7.0M

Reserves
Tuition Revenue
($1.9M)

Drawdown until Enrollment returns to
6135 FTE

Permanent Budget Cuts

$5.1M

- Centrally Held Funds ($4.1M)
- Division Reductions ($1.0M)

UPDATE: February 17, 2020 - Governor proposes restoration of 2020-21 budget reduction.

FY 2020-21 Budget Reductions

Division Reductions:
- Office of the President: $100,000
- University Advancement: $100,000
- Student Affairs: $200,000
- Academic Affairs: $101,600
- Business & Financial Affairs: $500,000

Total: $1,001,600

Effective July 1, 2021 (assumes no budget restoration)
FY 2020-21 Enrollment Planning vs Actuals
## FY 2020-21 Enrollment – Tuition Revenue Planning

<table>
<thead>
<tr>
<th>CO Funding Appropriations (Funded FTE)</th>
<th>Budget Campus Plan -5% enroll rev</th>
<th>Forecast Oct 8 SRPC -2% below Approp.</th>
<th>Actual Spring Census -3% below Approp.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall: 6292</td>
<td>Fall: 5977</td>
<td>Fall: 6194</td>
<td>Fall Actual: 6194</td>
</tr>
<tr>
<td>Spring*: 5977</td>
<td>Spring*: 5678</td>
<td>Spring Target*: 5880</td>
<td>Spring Actual: 5684</td>
</tr>
<tr>
<td>Annual FTE: 6135</td>
<td>Annual FTE: 5828</td>
<td>Annual FTE: 6037</td>
<td>Annual FTE: 5939</td>
</tr>
</tbody>
</table>

Rev Impact = ($1.9M)

*Spring = 95% of Fall

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**20-21 Actual**

**Spring** = 92% of Fall
University Operating Budget
(State Appropriations and Gross Tuition & Fees - excludes Lottery)

<table>
<thead>
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</thead>
<tbody>
<tr>
<td>Operating Budget (excludes lottery)</td>
<td>$95,647,000</td>
<td>$106,591,000</td>
<td>$112,230,000</td>
<td>$120,770,000</td>
<td>$131,294,000</td>
<td>$139,809,000</td>
<td>$132,404,000</td>
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<tr>
<td>Funded FTE</td>
<td>5000</td>
<td>5500</td>
<td>5589</td>
<td>5789</td>
<td>5789</td>
<td>6135</td>
<td>6135</td>
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<tr>
<td>Annual FTE (Actual) *</td>
<td>5042</td>
<td>5383</td>
<td>5715</td>
<td>6025</td>
<td>6144</td>
<td>6185</td>
<td>5939</td>
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<tr>
<td>Annual Headcount (Actual)*</td>
<td>5786</td>
<td>5135</td>
<td>6548</td>
<td>6926</td>
<td>6971</td>
<td>6967</td>
<td>6732</td>
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<tr>
<td>FTE - Tuition Revenue Plan*</td>
<td>5000</td>
<td>5500</td>
<td>5589</td>
<td>5789</td>
<td>5789</td>
<td>6135</td>
<td>5828</td>
</tr>
</tbody>
</table>

* Excludes summer enrollment
Spring Enrollment Update and Outlook

Hung Dang
Associate Vice President for Enrollment Management
Dean of Enrollment Services
2020-21 Academic Year Enrollment Summary

- 6,135 - Stateside-Funded FTE
- 1-5% - Projected Annualized Enrollment Decline
- 5,939 – AY 2020-21 Annualized FTE (-3.2% or -196 FTEs)
- 6,197 – AY 2019-20 Annualized FTE
Fall 2021 Admissions
Projected FTF Yield

Note: Yield = rate of admit to enroll
Fall 2021 Admissions
Projected Transfer Yield

Note: Yield = rate of admit to enroll
Facts
• State-Funded FTE: 6135
• Spring 2021 enrollment (281 fewer FTEs than Spring 2020)
• Fall 2021 undergraduate applications declined by 14%
• Greater competition for students

Assumptions
• Over 50% of Fall 2021 classes will meet in-person
• Covid-19 is considered under control
• Financial markets continue to remain strong

Prediction
• Annualized enrollment will decline between 2-6%

2021-22 Academic Year Enrollment Scenarios

2-4%
Decline between 122 - 245 FTEs

4-6%
Decline between 245 - 368 FTEs
Fall 2021 Enrollment Timeline

- **Dec 4, 2020**: CSU Deadline to Apply
- **Jan 11, 2021**: CSUCI Admission Decisions to be Issued
- **Feb 22, 2021**: Spring 2021 Census
- **May 3, 2021**: Intent to Enroll Deadline
- **May 7, 2021**: Registration Completed for Continuing Students
- **July 30, 2021**: Registration Completed for all Students
FY 2021-22 Budget Planning

- Current Planning Context
- Annual Call for Budget Proposals
The state entered the COVID-19 Recession on a **strong fiscal foundation** after years of building reserves, paying down debt, and a focus on maintaining structurally balanced budgets over the long term.

Several sectors of the California economy **far ing better than expected** during the first nine months of the public health crisis.

With the increasing distribution of vaccines, **California is poised to begin an equitable and broad-based recovery.**
State of the State

THE CAUTIONS

There are **considerable risks** to the forecast
  - bankruptcies
  - fall in the stock market

**Economic inequality has intensified** since the pandemic began
  - Approximately half of the jobs lost from the start of the pandemic have been recovered

**Expenditures are projected to grow faster than revenues**
  - $7.6 billion a structural deficit projected for 2022-23
  - Deficit is expected to grow to over $11 billion by 2024-25
Economic Outlook
A Cautionary Tale that Points to Use of One-time Funding

“Reserves will be critical to balancing the budget in future years along with other solutions to bring spending and revenues into alignment.”

“For now, the state must do all that it can to avoid further hardship by continuing to fight the COVID-19 Pandemic and support the populations most impacted, while also making targeted investments to accelerate an equitable and broad-based recovery.”

Governor Newsom
CSU Budget Request (November 2020)

Proposed 2021-2022 Operating Budget Request

<table>
<thead>
<tr>
<th>Incremental Expenditures</th>
<th>in millions</th>
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</thead>
<tbody>
<tr>
<td>Graduation Initiative 2025</td>
<td>$150.0</td>
</tr>
<tr>
<td>Highest Campus Priorities</td>
<td>120.0</td>
</tr>
<tr>
<td>Basic Needs Initiative</td>
<td>30.0</td>
</tr>
<tr>
<td>Restoration of 2020-21 General Fund Reductions</td>
<td>299.0</td>
</tr>
<tr>
<td>Academic Facilities &amp; Infrastructure Needs</td>
<td>50.0</td>
</tr>
<tr>
<td>Mandatory Costs</td>
<td>57.0</td>
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<tr>
<td>AB 1460 Ethnic Studies Requirement</td>
<td>16.5</td>
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<tr>
<td>Health Benefits</td>
<td>23.8</td>
</tr>
<tr>
<td>Maintenance of New Facilities</td>
<td>11.3</td>
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<tr>
<td>Minimum Wage</td>
<td>5.4</td>
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<tr>
<td><strong>Total Incremental Expenditures</strong></td>
<td><strong>$556.0</strong></td>
</tr>
</tbody>
</table>

No One-Time requests included.
Governor’s Budget Priorities

Higher Education

- Emergency assistance to re-engage students that left during pandemic
- More ongoing funding
- No tuition and fee increase
- Increased funding for student aid

“Preserve, Respond, Protect and Recover”
Governor’s Proposed Budget (January 2021)

$144.5 million increase - *ongoing*

<table>
<thead>
<tr>
<th>Category</th>
<th>In Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>❑ Operating Costs</td>
<td>$111.5M</td>
</tr>
<tr>
<td>❑ Graduation Initiative 2025 (Basic Needs Initiative)</td>
<td>15.0M</td>
</tr>
<tr>
<td>❑ Student Mental Health and Technology</td>
<td>15.0M</td>
</tr>
<tr>
<td>❑ Common learning management system (Canvas) across higher ed segments</td>
<td>2.0M</td>
</tr>
<tr>
<td>❑ Enrollment funding for Stanislaus State’s Stockton Center</td>
<td>1.0M</td>
</tr>
</tbody>
</table>

**Total Ongoing** $144.5

$225 million increase - *one-time*

<table>
<thead>
<tr>
<th>Category</th>
<th>In Millions</th>
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<tr>
<td>❑ Deferred Maintenance</td>
<td>$175M</td>
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<tr>
<td>❑ Emergency Financial Aid</td>
<td>30M</td>
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<tr>
<td>❑ Computing Talent Initiative</td>
<td>10M</td>
</tr>
<tr>
<td>❑ Professional Development</td>
<td>10M</td>
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</tbody>
</table>

**Total One-time** $225M

- Governor’s budget reflects 3% increase for the General Fund.
- Assumes in-state resident tuition and fees remain flat for the coming academic year.
- The Governor’s proposed budget does not address enrollment growth.
<table>
<thead>
<tr>
<th>Investment Area</th>
<th>CSU Request</th>
<th>Governor’s January Proposal</th>
</tr>
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<tbody>
<tr>
<td>Graduation Initiative 2025</td>
<td>150.0</td>
<td>15.0</td>
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<tr>
<td>Mandatory Cost Increases</td>
<td>57.0</td>
<td>111.5</td>
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<tr>
<td>General Fund Restoration</td>
<td>299.0</td>
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<tr>
<td>Academic Facilities/Infrastructure</td>
<td>50.0</td>
<td>0</td>
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<tr>
<td>Student Mental Health and Technology Needs</td>
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<td>15.0</td>
</tr>
<tr>
<td>Other - Common Learning System (Canvas)</td>
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<td>3.0</td>
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<tr>
<td><strong>Total (Ongoing)</strong></td>
<td><strong>$556.0</strong></td>
<td><strong>$144.5</strong></td>
</tr>
<tr>
<td><strong>Total (One-time)</strong></td>
<td><strong>0.0</strong></td>
<td><strong>$225.0</strong></td>
</tr>
<tr>
<td><strong>Total Combined</strong></td>
<td><strong>$556.0</strong></td>
<td><strong>$369.5</strong></td>
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</table>
Some Thoughts for CSU Budget Development

• California has benefited from years of **fiscal prudence** - enabling the state to weather economic setbacks in 2020

• Budget resiliency is critical for the future, as **State expenditures are projected to grow faster than revenues** - anticipate one-time funding as predominant color of money

• Governor’s **January budget** proposal **reinstates less than 20% of the $299M budget reduction** enacted in FY 2020-21 when accounting for CSU estimated mandatory cost increases

• CSU budget hearings and **advocacy**

• We are early in the budget cycle
Immediate Action Agreement for Relief to Californians Experiencing Pandemic Hardship

- Full restoration of the $299 million reduction from the CSU's base 2020-21 budget
- Effective July 1, 2021
FY 2021-22 Budget Memo - Call for Budget Proposal

• Assume No Enrollment Growth/Decline = FY 2020-21 Actual
  
  Tuition Revenue based on 5939 FTE (neutral scenario)

• Strategic Initiative Proposals deferred until Fall 2021 ($650K funding)*

• Proposal Categories:
  a. Critical Needs ($400K funding)*
     ■ Life Safety
     ■ Regulatory/Statutory/CO Compliance
     ■ Essential Mission-Centric Needs
  b. New Programs and Innovation ($500K funding)*
  c. Divisional Reallocations for Internal Discretionary Proposals

*one-time funding earmark
<table>
<thead>
<tr>
<th>Month</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>Governor Issues Initial Budget Proposal</td>
</tr>
<tr>
<td>February (late)</td>
<td>Release Campus 2021/22 Budget Memo</td>
</tr>
<tr>
<td>April 16</td>
<td>Submit Budget Requests to B&amp;P</td>
</tr>
<tr>
<td>April 30</td>
<td>Requests Presented to SRPC</td>
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<tr>
<td>May</td>
<td>Governor Issues May Revise</td>
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<tr>
<td>June</td>
<td>State Legislature passes annual Budget Act</td>
</tr>
<tr>
<td>June</td>
<td>President Approves Budget</td>
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<tr>
<td>July</td>
<td>CO final allocations</td>
</tr>
<tr>
<td>Early Fall</td>
<td>Call for Strategic Initiative Proposals</td>
</tr>
</tbody>
</table>
CRRSA: Higher Education Emergency Relief Fund II (HEERF II)

Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA)

- Evolving clarifications on supplemental program parameters
- Confirmed CSUCI Total Award: $14,288,099 (all new funds)
  - Student Aid: $4.2M and Institutional Support: $9.9M
- Expected one year spend down

Program Expenditure Categories:

- Student aid - 50% at $7M (includes $1M for Summer I and II)
- Student Success support
- Auxiliary revenue loss shortfalls
- Training
- Contingency (facilities modifications for fall, cost recovery, etc.)

Other Issues

- Student Aid funding cannot be used for AB540, Undocumented, International students
  - Funding Source to be identified
Proposed Student Aid Distribution

Total: $7.2 M

Sources:
1. Student Aid distribution - $4.29 M
2. Institutional distribution - $2.91 M

Uses:
1. Summer Session I & II: $1.2M
2. Spring distribution: $6M

Proposed Spring Distribution

<table>
<thead>
<tr>
<th>FAFSA</th>
<th>Students</th>
<th>Amount</th>
<th>Total</th>
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<tbody>
<tr>
<td>Spring 2021</td>
<td>0-4000</td>
<td>3221</td>
<td>$1,200</td>
</tr>
<tr>
<td></td>
<td>4001-9999</td>
<td>2277</td>
<td>$900</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5,498</td>
<td>$5,914,500</td>
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<table>
<thead>
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<th>CADAA</th>
<th>Students</th>
<th>Amount</th>
<th>Total</th>
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<td>Spring 2021</td>
<td>0-4000</td>
<td>101</td>
<td>$1,200</td>
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<tr>
<td></td>
<td>4001-9999</td>
<td>23</td>
<td>$900</td>
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<tr>
<td></td>
<td></td>
<td>124</td>
<td>$141,900</td>
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</table>
2021/22 Budget Planning

Supporting Our University Strategic Initiatives

Educational Excellence
Student Success
Inclusive Excellence
Capacity and Sustainability

Thank You and Stay Well