Strategic Resource Planning Committee

Virtual Meeting
Thursday, May 7, 2020
1:30 pm
I. Introductions and Opening Comments

II. Our Current Environment

III. 2020/21 Budget Planning

IV. Enrollment Planning (H. Dang)

V. Budget Planning Scenarios and Assumptions

VI. Next Steps

Email Address to submit questions by 3:00 pm for response at the end of meeting: srpc@csuci.edu
Our Current Environment

1. State
   a. Impact of the COVID-19
   b. Shuttering of businesses in the state
   c. Three-month extension of income tax collections to July 15
   d. State baseline budget likely enacted for the 2020-21 fiscal year in June
   e. Revised State budget - September or October

2. CSU System
   a. No preliminary budget for 2020-21 to be issued
   b. Anticipate and plan for financial consequences
Our Current Environment

2. **CSU System (continued)**
   
c. Mandatory cost increases (some covered by state)
   - Retirement (threshold applied)
   - Medical insurance
   - Other mandatory fixed costs likely (not covered)

d. Collective bargaining agreements
   - Negotiations in process
Our Current Environment

CSUCI

a. Auxiliaries losses - current fiscal year
   ■ Auxiliary enterprises and organizations
      1. Refunds: $5.4 million (UAS, Housing, Parking and Extended University)
   ■ Catering - $1.3M
   ■ Summer Programs 19/20 - $1.9M
   ■ Summer Programs 20/21 - $2.7M
Total: $11.3M

Summer Programs includes events, camps and some EU.
Our Current Environment

Actions to Mitigate Shortfall

1. Reduce Spending in the Current Year
   ○ Implemented CO System Hiring Chill
   ○ Cabinet review on spend over $5,000
   ○ Limited spending of funds from vacant positions salary savings
   ○ Restricted Procurement Card usage
   ○ Required review of travel restrictions

2. Increase Revenue - Federal SBA CARES Forgivable Loan: $699,000 for UAS

3. Operational Efficiencies
   ○ LEAN opportunities for administrative activities

Support to our Students
Disbursing $4.2 million of Federal CARES financial aid funding
Support to our Students

1. Disbursing $4.2 million of Federal CARES funding
   - Total eligible students is 5,511
   - Rubric established includes an automatic grant of $300 for each student
   - Grant options per student range from $300 to $925 depending on financial aid eligibility, excluding options for emergency grant applications
   - CSU CARES Initiative Application (emergency grant program) pool totals $436,443 million for additional supplemental distribution

2. For students who do not qualify for the Federal CARES funding, other University funds will be identified using a similar award structure -- to be finalized.
2020/21 Budget Planning

State Budget

2020/21 Baseline Budget
- Extension of state income tax filing to July 15
- Legislature likely to enact a baseline budget by June 15
- 2019/20 State budget serves as a placeholder for the new 2020/21 fiscal year

Revised Budget
- Earliest anticipated date - August to October

CSU System - 2020/21 Budget
- No preliminary budget to be issued
- Model scenarios
- Final budget for the CSU in the fall

CSUCI - 2020/21 Baseline Budget
- 2019/20 budget serves as a placeholder for the new 2020/21 fiscal year
- Earliest anticipated Revised Budget - August to October
CSUCI - 2020/21 Budget

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.

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

Committee Discussion

2020/21 Budget Planning

Guidelines*

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 successfully support the targeted 2% new student FTE enrollment growth 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.

Committee Discussion

* From November 8, 2019 Budget Planning Memo to campus
2020/21 Enrollment Planning

Enrollment Scenarios
Academic Year 2020-21
April 30, 2020

Pre-Coronavirus FTE Projection: 6,244

Scenario 1: Best Case
- Social distancing and other mitigation efforts relaxed but not eliminated
- Infection and hospitalization rates decline through summer 2020
- Testing and contact tracing become widespread by fall 2020
- Majority of fall 2020 classes offered online
- Financial markets begin recovery phase

Enrollment Declines 1-5%
- FTE range: 6,129 – 5,885
- Potential FTE reduction between 66-310

Scenario 2: Conservative Case
- Limited availability of testing and contact tracing
- State sees uptick in Covid cases/hospit. re-imposes mitigation efforts
- Remote instruction through fall with face-to-face may resume spring 2021
- Financial markets react to uptick in Covid cases
- No new treatment options or vaccine in sight

Enrollment Declines 6-12%
- FTE range: 5,824 – 5,427
- Potential FTE reduction between 371-738

Enrollment planning discussion led by Hung Dang, AVP Enrollment Services
# 2020/21 Enrollment Planning

## FALL 2020

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## ANNUAL AVERAGE

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- Funded FTE: 6135
- 2019-20 Annual Average FTE: 6195
- Scenarios calculated using: 6195
### 2020/21 Enrollment Planning

#### FALL 2020

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- Undergraduate: 4680 / 4254
- Post Bacc & Graduate: 144 / 137

**New Students**

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- Freshman: 938 / 876
- Transfer: 1286 / 1071
- Post Bacc & Graduate: 58 / 55

**All Students**

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- Undergraduate: 6904 / 6201
- Post Bacc & Graduate: 202 / 192

**Grand Total**: 7106 / 6393

#### Annual Average

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- Summer: 85 / 20
- Fall: 7106 / 6393
- Spring: 6764 / 6075
- Annual: 6978 / 6244

**Funded FTE**: 6135

**2019-20 Annual Average FTE**: 6195

**Scenarios calculated using**: 6195

Committee Discussion
2020/21 Budget Planning

What We Know . . .

Funding from the Chancellor’s Office
○ CO informs us that the state will cover retirement and health mandatory increases . . . . to a certain point; campus will likely need to supplement

Recession
○ Bloomberg: The novel coronavirus has spurred what will likely be the worst recession in generations as the U.S. economy grinds to a halt and millions lose their jobs. (April 8, 2020) https://www.bloomberg.com/graphics/us-economic-recession-tracker/
What We Know . . .

Collective Bargaining

- Following contracts expire June 30, 2020: CSUEU, CFA APC and Teamsters Local 2010
- Negotiations with APC and Teamsters have not begun
- Negotiations with CSUEU an CFA began in February and currently restarting talks
- Emergency pay provided to CSUEU and Teamsters Local 2010
- SUPA (University Police Association) - contract expired June 2018; impasse February 2020
- UAW (Academic Student Employees) - contract expires September 2020
2020/21 Budget Planning

What We Know . . .

Federal CARES Funding

- CSUCI will receive $8,580,009 from the CARES Act Emergency Aid
- Designated for Emergency Financial Aid for Students: $4,290,005
- Campus Funds: $4,290,004
  1. Detailed guidance and instructions forthcoming
  2. Potential categories for distribution
     - Summer Session and Faculty Development - 35%
     - Technology - 25%
     - Auxiliaries Shortfalls and Staff Emergency Pay - 25%
     - Potential Fall Expenses (PPE, testing, additional cleaning supplies, etc.) - 15%

Committee Discussion
2020/21 Budget Planning

Next Steps

CSUCI

Continue to develop budget assumptions to:

- Adjust for enrollment change(s)
- Respond to actions taken by the state legislature and governor.
- Support any state appropriations adjustments based on state actions and Chancellor’s Office guidance
- Pursue CARES Funding for Strengthening Institutions Award
- Reflect a multi-year approach
- Virtual town halls - faculty-focus (2); staff (1)
2020/21 Budget Planning

Supporting Our University Strategic Initiatives

Educational Excellence
Student Success
Inclusive Excellence
Capacity and Sustainability

Thank you and Stay Well