Strategic Resource Planning Committee

Virtual
Thursday, September 3, 2020
1:00 – 2:30 PM
Agenda

1. Welcome (Provost Say)
   SRPC Charge and Membership
2. 2019/20 Budget Overview
   – COVID-19 Related Expenditures and Lost Revenue
   – Operating Reserves

1. 2020/21 Budget Overview
   – State
   – CSU
   – CSUCI

1. 2020/21 Fall and Spring Planning
   – Multi-year forecast

1. 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
Vacant - Senate Budget Committee Chair
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

Student Representation:
Vacant - Student Government Representative
Isaiah Ball - Student Government Chief of Staff and Student-at-Large

Committee Support:
Barbara Rex, AVP of Budget, Planning, & Analysis
Lisa Woods, Manager, Budget & Information Systems
Teresa Montoya, Administrative Assistant
Budget Overview
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
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
2020/21 Budget Overview - State

State Budget

- Budget deficit of $54.3 billion
  - Forecast operating deficit of $8.7 billion in 2021-22
- Balanced approach to closing the $54.3 billion budget deficit
  - Use of Reserves, Triggers, Federal Funds, Revenues, Borrowing/Deferrals, Cancelled Expansions, etc.
  - [http://www.ebudget.ca.gov/FullBudgetSummary.pdf](http://www.ebudget.ca.gov/FullBudgetSummary.pdf)

<table>
<thead>
<tr>
<th>Category</th>
<th>2020 Budget Act</th>
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<tbody>
<tr>
<td>1 Reserves</td>
<td>$8.8</td>
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<tr>
<td>2 Borrowing/Transfers/Deferrals</td>
<td>9.3</td>
</tr>
<tr>
<td>3 Revenues</td>
<td>4.4</td>
</tr>
<tr>
<td>4 Federal Funds</td>
<td>10.1</td>
</tr>
<tr>
<td>5 Cancelled Expansions, Updated Assumptions, and Other</td>
<td>10.6</td>
</tr>
<tr>
<td>7 Trigger Reductions/Additional Deferrals</td>
<td>11.1</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$54.3</strong></td>
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2020/21 Budget Overview - CSU

CSU Budget

- State Appropriations reduction of $498.1 million
  - Base increase of approximately $199 million
  - Net General Fund decrease of approximately $299.1 million
- Contingent General Funds Reductions
  - If federal funds are provided by October 15, 2020, funds will be appropriated for the 2020-21 fiscal year as follows: Approximately $498.1 million for CSU operational costs
- No tuition increase in 2020-21
- One-time $3 million for AB 540 emergency financial aid and $6 million for summer term 2021 financial aid for students

http://www.ebudget.ca.gov/FullBudgetSummary.pdf
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
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.
Assumptions for CSUCI

- Operating Budget remains flat with reductions noted below

- 2020-21 Permanent State Operating Budget Reduction
  a. **State Appropriations** for General Fund reduced by 7.5% - $5.1 million
  b. Enrollments: Expected 5% *decrease* from funded target of 6135 FTES to 5828 FTES
  c. 2020-21 **Tuition** decreases by $1.9 million

- Total 2020-21 Operating Budget reduction: $7 million

- 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

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

<table>
<thead>
<tr>
<th>Meeting Type</th>
<th>Date</th>
<th>Day</th>
<th>Time</th>
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<tbody>
<tr>
<td>SRPC Meeting #1</td>
<td>Sep 3</td>
<td>Thursday</td>
<td>1:00 - 2:30 pm</td>
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<tr>
<td>Budget Town Hall - Budget Overview</td>
<td>Sep 11</td>
<td>Friday</td>
<td>1:00 - 2:30 pm</td>
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<td>Budget Town Hall - Divisional Updates</td>
<td>Oct 8</td>
<td>Thursday</td>
<td>1:00 - 2:30 pm</td>
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<td>SRPC Meeting #2</td>
<td>Oct 22</td>
<td>Thursday</td>
<td>1:00 - 2:30 pm</td>
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<td>SRPC Meeting #3</td>
<td>Nov 12</td>
<td>Thursday</td>
<td>1:00 - 2:30 pm</td>
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<td>SRPC Meeting #4</td>
<td>Dec 4</td>
<td>Friday</td>
<td>1:00 - 2:30 pm</td>
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<tr>
<td>Finals Quiet Week</td>
<td>Dec 7 - 11</td>
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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