



Strategic Resource Planning Committee

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

Agenda

- I. Welcome (Provost Say)
SRPC Charge and Membership
2. 2019/20 Budget Overview
 - COVID-19 Related Expenditures and Lost Revenue
 - Operating Reserves
- I. 2020/21 Budget Overview
 - State
 - CSU
 - CSUCI
- I. 2020/21 Fall and Spring Planning
 - Multi-year forecast
- I. 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

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

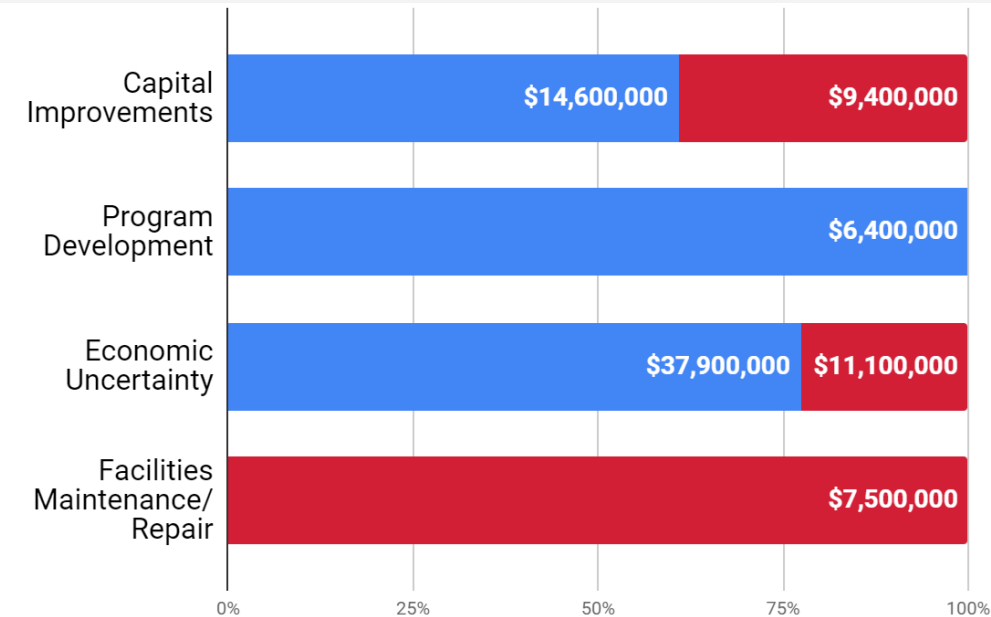
Economic Uncertainty: \$37.9M

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

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>

Summary of Solutions

(Dollars in Billions)

Category	2020 Budget Act
1 Reserves	\$8.8
2 Borrowing/Transfers/Deferrals	9.3
3 Revenues	4.4
4 Federal Funds	10.1
5 Cancelled Expansions, Updated Assumptions, and Other	10.6
7 Trigger Reductions/Additional Deferrals	11.1
Total	\$54.3

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

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**.

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

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

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 - 2:30 pm
Budget Town Hall - Divisional Updates	Oct 8	Thursday	1:00 - 2:30 pm
SRPC Meeting #2	Oct 22	Thursday	1:00 - 2:30 pm
SRPC Meeting #3	Nov 12	Thursday	1:00 - 2:30 pm
SRPC Meeting #4	Dec 4	Friday	1:00 - 2:30 pm
<i>Finals Quiet Week</i>	<i>Dec 7 - 11</i>		

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