



July 15, 2019

Dear Campus Community,

Welcome to the 2019/20 year at CSU Channel Islands.

The following provides an overview of the new fiscal year University FY 20 Budget based on the activities of the Strategic Resource Planning Committee (SRPC). The committee's work continues the efforts to enhance campus-wide engagement and transparency in the budget planning process.

The campus budget plan for FY 20 outlines a total operating budget of \$192.3 million. This total is comprised of \$135.7 million in University Operating Funds, \$513,000 in Lottery allocation, \$27.5 million from Auxiliary Enterprises, and \$28.6 million from Auxiliary Organizations. (Attachments 1 and 3)

2019-20 CSUCI OPERATING FUND (General Fund) consists of state appropriations and tuition. Based on preliminary allocations, these funds increased by \$7 million or 6% over FY 19 (i.e., from \$120 million to \$127 million). After meetings of the SRPC, Cabinet members and the campus at-large, the new preliminary permanent Operating Fund expenditures allocation will increase by \$7 million to address mandatory expenses, operating priorities and compensation adjustments. (Attachment 2)

The Chancellor's Office also allocates one-time, non-recurring funds to campuses for various program purposes. At this writing, this item is pending and will be updated with an addendum after the Chancellor's Office issues final notification of the one-time funding.

Operating Fund - Other Fees consists of non-tuition related fees and mandatory campus-based fees (cost-recovery and auxiliary excluded). These funds total \$3.37 million, increasing by \$307,000 over FY 19.

Lottery allocation for CSUCI remains the same as prior year at \$513,000.

Auxiliary Enterprises consist of Housing and Residential Education, Parking and Transportation, and Extended University. The adjustments are as follows:

- Housing and Residential Education's preliminary budget increased by 2.6% for a total of \$17.6 million with no increase in housing rates. The change is due primarily to an increase in summer conference revenue.

- Parking and Transportation permanent budget is decreased by 2%, totaling \$2.35 million as a result of fewer permit sales as well as mandatory compensation cost increases and new program services.
- Extended University permanent program increased by 2.4 %, totaling \$7.5 million. This includes mandatory costs for compensation as well as an increase in enrollment in academic programs.

Auxiliary Organizations consist of Associated Students, Channel Islands Foundation, Site and Financing Authorities, and University Auxiliary Services. Each of these entities is governed by a separate board of directors. Each board has reviewed their respective requested budgets and approved the following annual expenditure budgets with more detail in Attachment 3.

- Associated Students, Inc. \$3.1 million
Nominal growth is projected. Please note that this figure includes mandatory fees.
- CSUCI Foundation \$2.75 million
An increase of 15% or \$357,000; from increases of contributions and reduction of operating expenditures.
- Site and Finance Authority \$8.3 million
Adjusted for Library debt service of \$3.8 million, a revenue decrease of \$1.1 million due to CI Power and other operations.
- University Auxiliary Services \$10.6 million
A decrease of approximately 1% or \$94,000; from adjustments to operations across the various points of sale.

STATE ECONOMY AND BUDGETARY IMPLICATIONS

The State of California continues to enjoy a strong economy. June 2019 marks the state's 10th consecutive year of economic expansion. However, apprehension about a next recession is increasing. Indeed, recent economic forecasts show slowing growth ahead due to a multitude of intensifying risks at the international, national, and state levels. The 2019-20 state budget reflects California's current unique economic climate of prolonged prosperity and intensifying concerns about the next inevitable recession. The state budget embodies a strategic balance of investments in state policy priorities while paying off debts, paying down unfunded liabilities, and continuing to build reserves to mitigate the impact of the next economic downturn.

CSU OPERATING BUDGET

On June 27, 2019, Governor Newsom signed the state budget for fiscal year 2019-20. The budget includes a \$300 million increase to the CSU's General Fund base to support operational cost increases.

The final budget also commits \$265 million in one-time funding to address important issues such as deferred maintenance of infrastructure and utility systems, childcare facilities for student parents, housing and food insecurity, among others.

The Chancellor's Office preliminarily assigned 369,685 FTES to the 23 campuses of the CSU for 2019-20. The preliminary budgeted increase of resident FTES is 6,929 or a 1.9% increase from 2018-19. The CSU preliminary budget also includes funding for the CSU Graduation Initiative 2025 allocation at \$44.375 million, compensation for employee groups at \$143.139 million, and mandatory costs (health, operations/maintenance, retirement, etc.) at \$31.2 million.

CSUCI FUNDING ADJUSTMENTS

The authorized funding adjustments to CSUCI's 2019-20 General Fund base budgets from the Chancellor's Office are as follows:

<u>Base Budget Adjustments</u>	<u>Amount</u>
General Fund Enrollment Increase	\$1,371,000
Tuition from Enrollment Growth	\$927,000
Mandatory (Health;O&M;Min Wage)	\$667,000
Graduation Initiative 2025	\$1,068,000
Employee Compensation	\$2,702,000
Prior Year Retirement Adjustment	\$407,000
Average Unit Load Increase	\$51,000
Total	\$7,193,000

CSUCI OPERATING FUND EXPENDITURE ALLOCATIONS

The preliminary CSUCI General Fund net revenue allocation is \$7.193 million (Attachment 2). Anticipated revenue and reimbursements bring the total General Fund gross expenditure budget to \$135.7 million (see Attachment 1).

The University's budget allocations are based upon Chancellor's Office allocations, CSUCI's Strategic Initiatives set aside, mandatory costs, auxiliary enterprises and student fees proposed expenditure plans. The approved estimated final 2019/20 Operating Budget allocations are detailed in the Campus Budget Plan that is posted annually on the SRPC website under Approved Budgets. The expenditure plans for the auxiliary organization that are overseen by separate boards (Associated Students, Inc., University Foundation, Site Authority and University Auxiliary Services) are included in Attachment 3.

Additional detail of the operating budget will be posted with this memo on the Strategic Resources Planning Committee website: <https://www.csuci.edu/strategic-resource-planning/fiscal-year-budgets.htm>

The 2019-20 Lottery campus-based program allocation for CSUCI remains at \$513,000 and will continue to be administered out of the Provost's Office consistent with the Trustees' policy and campus priorities.

REALLOCATIONS

Approved divisional reallocation requests totaled \$328,196 and include reallocations submitted by three divisions -- Advancement, Business & Financial Affairs and Student Affairs. Details of the specific requests for reallocations are included in Attachment 2.

STRATEGIC INITIATIVES 2018-23

The University's first year of Strategic Initiatives were finalized in the late Spring 2018 and are noted below. These initiatives serve as a basis for new budgetary resource allocations. Last year, I announced a commitment to dedicate at least \$1,000,000 on an annual basis over a three-year period to help support the implementation of our Strategic Initiatives. The FY 20 budget upholds this commitment and \$1,000,000 is again budgeted for the next round of Strategic Initiatives proposals funding.

1. **Educational Excellence** - Ensuring students graduate with the high-level knowledge, skills and experience necessary for engaged citizenship and career success
 - Collaborating across Academic and Student Affairs to increase student engagement
 - Assuring faculty and programs are supported to promote educational excellence
2. **Student Success** - Ensuring all student progress to degree completion in a timely manner regardless of their background
 - Creating clear curricular pathways
 - Promoting timely degree progression
 - Developing innovative partnerships between Academic and Student Affairs
3. **Inclusive Excellence** – Fostering a campus culture that advances inclusive excellence
 - Developing a collective understanding of equity and inclusion
 - Improving graduation rates for students from historically underserved populations
4. **Capacity and Sustainability** – Taking action to sustain and advance a robust University in an era of declining state support
 - Building self-sustaining programs and initiatives that support an equitable and thriving community
 - Developing a culture of philanthropy
 - Enhancing faculty and staff development and support
 - Promoting sustainability as an integral part of University planning and operational activities

The Strategic Initiatives website link provides information and progress on activities to date:

<https://www.csuci.edu/president/initiatives/work-and-next-request-proposals.htm>

CSUCI CAPITAL PROJECTS

The campus budget for deferred maintenance for the year is noted below and approved.

Critical Repairs	\$835,000
Space Upgrades/Improve Environment	\$165,000
Energy/Sustainability	\$200,000
Contingency/Other	\$ 42,000
Total	\$1,242,000

In addition, I am authorizing \$4.4 million from capital reserves to complete the following projects to support campus growth and development:

Grand/Petite Salons Renovations	\$500,000
Campus Emergency Preparedness Enhancements	\$1,200,000
Manzanita Hall Renovation	\$2,336,000
Campus Wayfinding Signage	\$355,000
Total	\$4,391,000

Best wishes for a meaningful and impactful new academic year and I hope to see you on campus as we engage in our collective work to make this a terrific year for all our CSUCI students.

Sincerely,

A handwritten signature in black ink, appearing to read 'E. Beck', is written over a light gray rectangular background.

Erika D. Beck, President

ATTACHMENTS:

- Attachment 1: 2019/20 Approved CSUCI Operating Budget
- Attachment 2: Summary of 2019/20 Approved Budget Allocations
- Attachment 3: 2019/20 Approved Budgets for Auxiliary Organizations

Attachment 1
2019/20 Approved CSUCI Operating Budget

CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS
Exhibit II
ALL FUNDS REVENUE PLAN SUMMARY
FISCAL YEAR 2019/20

	2018/19 FINAL ALLOCATION	2019/20 CAMPUS BUDGET PLAN	Change	
	\$	\$	\$	%
University Operating Funds				
CSU Operating Fund				
State Appropriations	\$ 83,022,710	\$ 89,288,710	\$ 6,266,000	7.5%
Category I Fees - CO Tuition	36,781,408	37,708,408	927,000	2.5%
Category I Fees - Non Resident Tuition	151,000	151,000	0	0.0%
Category I Fees - Application Fees	408,787	423,100	14,313	3.5%
Category III Fees	12,000	12,400	400	3.3%
Category IV Fees (State Support)	462,504	478,700	16,196	3.5%
Cost Recovery	3,832,320	3,503,300	(329,020)	-8.6%
Other	294,092	294,092	0	0.0%
Sub-total Appropriated/Student Fee	124,963,821	131,858,710	6,893,889	5.5%
Designated Category II Fees				
Mandatory Campus Based Fees (excludes ASI)	3,822,200	3,846,100	23,900	0.6%
Total University Operating	128,786,021	135,704,810	6,917,789	5.4%
Restricted Funds				
Lottery	513,000	513,000	0	0.0%
Total Restricted Funds	513,000	513,000	0	0.0%
Auxiliary Activities				
Auxiliary Enterprise				
Housing	17,175,340	17,617,180	441,840	2.6%
Parking and Transportation	2,495,841	2,347,521	(148,320)	-5.9%
Extended University	7,317,065	7,490,582	173,517	2.4%
Sub-total Auxiliary Enterprise	26,988,246	27,455,283	467,037	1.7%
Auxiliary Operations				
Associated Students (includes Mandatory Fees)	3,091,300	3,111,000	19,700	0.6%
CI Foundation	2,397,100	2,754,070	356,970	14.9%
Site Authority	13,215,589	12,120,457	(1,095,132)	-8.3%
University Auxiliary Services	10,726,766	10,632,402	(94,364)	-0.9%
Sub-total Auxiliary Operations	29,430,755	28,617,929	(812,826)	-2.8%
Total Auxiliary Activities	56,419,001	56,073,213	(345,788)	-0.6%
Total Revenues	\$ 185,718,022	\$ 192,291,023	\$ 6,572,000	3.5%

Attachment 2
2019/20 Approved Budget Allocations

Summary of Permanent Budget Allocations

CO - Health; O&M; Retirement	\$432,000
CO - Compensation	2,702,000
Compensation - Faculty Promotions	186,000
CO - Prior Year Retirements Adjustment	407,000
Divisional Requests - Permanent (*)	1,860,815
Fixed Costs Increases (benefits, utilities)	340,886
Compensation - Campus Contribution (est.)	640,000
Minimum Wage Increase	133,000
Staff Equity - Pool	250,000
CO - New Space O&M	102,000
Contingency	350,000
 Total Uses	 \$7,403,701
 Total Permanent Uncommitted	 \$2,166,966
CO: Chancellor's Office	

(*) Permanent Divisional Allocation Detail

<u>Division</u>	<u>Request</u>	<u>FTE</u>	<u>Amount</u>
Office of the President	Ombudsman salary supplement		\$7,815
Academic Affairs	Tenure Track Faculty: New funds for tenured lines	4.0	510,000
	Tenure Track Faculty: Conversion from Lecturer Funds	12.0	480,000
	Academic Advisors	3.0	225,000
	Grad Advisor - Asst Director	1.0	78,750
	Financial Aid specialist	1.0	67,500
	Faculty Promotions	.0	186,000
Business & Fin Affairs	Title IX - Admin Analyst	1.0	85,500
	Title IX - Admin Coordinator	1.0	69,750
	Title IX - Contract Services		15,000
Student Affairs	Coordinator of Basic Needs	1.0	85,500
Advancement	Commencement Increase		50,000
Total Permanent Allocations		11.0	\$1,860,815

Note: Amounts include benefit costs as applicable.

Temporary (One-Time) Budget Allocations

Sabbaticals - Faculty	60,000
Course Releases - New TT Faculty	308,673
Divisional Requests - Temp	786,930
Set Aside for Strategic Initiatives (3 years)	1,000,000
Divisional Contingency annual allocation	150,000
Legal Expense	150,000
 Total Uses	 \$2,455,603
Total One-Time Uncommitted	\$511,398

General Operating - Reallocation Requests

Salary/Bene's

Student Affairs	Management - Admin III - Position 830	0.40	(20,862)
	Non Represented - Admin II - Position 828	(0.50)	(28,050)
	Portion of vacant Admin Assistant for Wellness Promotion & Education – Position 2212	0.10	(7,450)
	Asst. Dir. for Inclusive Student Services / Intercultural Services	1.00	56,362
	Management - Admin III - 008		(11,252)
	Operating - VPSA		(1,648)
	EOP scholarships		12,900
	Balance of vacant Admin Assistant for Wellness Promotion & Education – Position 2212	-0.5	(35,750)
	CARE Case Manager	0.5	35,750
Business & Fin Affairs	Financial Reporting Analyst - Financial Services	(1.00)	(75,471)
	Financial and Budget Reporting Analyst - B&P	1.00	75,471
Advancement	Director of Special Projects	(1.00)	(88,832)
	Admin Analyst Specialist	0.50	49,332
	Admin Support Assistant	0.50	39,500
	Associate Director, Prospect Research	(1.00)	(69,781)
	Admin Analyst/Specialist NE (AAS NE)	0.50	26,867
	Admin Analyst/Specialist I (AAS)	0.50	26,867
	Administrator II	-	16,047

Attachment 3

2019/20 Approved Budgets for Auxiliary Organizations

**2019/20**

INCOME (fees)	3,110,862
(A) EXPENDITURES	<u>2,836,418</u>
Net	274,445
Contributions to Fund Balance	274,445
Ending Fund Balance 6/30/2019	2,647,389
Adjustments to Net Position (Contributions to Fund Balance)	274,445
Estimated Ending Fund Balance 6/30/2020	2,921,834
(A) Expenditure Detail	
Student Government	94,053
Nautical	7,326
Student Programming Board	97,497
CI View	81,640
Administrative	555,170
Campus Partners	80,205
Student Orgs.	68,609
Student Union	993,868
Student Union Debt Payment	858,050
TOTAL	2,836,418

Budget approved by ASI Board of Directors.



2019/20

INCOME	
Contributions	1,847,907
Investment Earnings	805,020
Other	101,143
	<hr/> 2,754,070
(A) EXPENDITURES	<hr/> 1,933,625
Net	820,445
Contributions to Fund Balance	820,445
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Ending Fund Balance - 6/30/2019	25,762,507
Adjustments to Net Position	820,445
Estimated Ending Fund Balance 6/30/2020	26,582,952
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(A) Expenditure Detail	
Academic Support & Contract Services	605,015
Equipment	42,880
Gifts to University	16,593
Business Meals/Hospitality	108,270
Contingency	50,000
Misc. Operating Expenses	379,414
Scholarships	573,834
Supplies & Services	130,792
Travel/Training	26,827
TOTAL	<hr/> 1,933,625

Budget approved by CSUCI Foundation Board of Directors.

2019/20

INCOME *

East Campus	3,631,536
Common Area Maintenance	1,797,324
CI Power Operations	2,589,474
Operations	251,123
	<hr/> 8,269,457

(A) EXPENDITURES *

Net	639,194
Contributions to Fund Balance	639,194

* Library Building debt serviced by Chancellor's Office not included above.

Ending Fund Balance - 6/30/2019	49,852,560
Adjustments to Net Position	
Contributions to Fund Balance	639,194
Principal Bond Debt Payment	(1,400,000)
Estimated Ending Fund Balance 6/30/2020	49,091,754

(A) Expenditure Detail	
Common Area Maintenance	1,797,324
CI Power Operation	1,945,616
East Campus (including Interest on Debt)	3,492,641
Operations	394,683
TOTAL	<hr/> 7,630,264

Budget approved by CSUCI Site Authority Board.



2019/20

INCOME	
Food Service Sales	8,222,499
Cost Recovery	1,263,884
Management Fee	698,378
Program Revenue	447,641
	<hr/>
	10,632,402
(A) EXPENDITURES	<hr/>
Net	362,655
Contributions to Fund Balance	362,655
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Ending Fund Balance - 6/30/2019	44,132
Adjustments to Net Position	362,655
Estimated Ending Fund Balance 6/30/2020	406,787
<hr/>	
(A) Expenditure Detail	
Salaries & Wages	4,227,260
General & Administrative	2,687,961
Cost of Goods	2,640,525
Debt Service	664,000
TOTAL	<hr/>
	10,269,746

Budget approved by the University Auxiliary Services Board of Directors.