



Strategic Resource Planning Committee Budget Update

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Solano Hall 2175
Friday, April 14, 2017

Agenda

Update on the Board of Trustees March Meeting
Tuition Increase

Update to the Straw Budget
Multi-Year Planning

UPDATE ON THE BOARD OF TRUSTEES MARCH MEETING

Tuition Increase

Tuition Increase – 2017/18

- CSU Trustees approval in March will increase tuition by 5 percent (\$270 annually).
 - Will go into effect for fall 2017 term
 - Expected to generate roughly \$77.5 million
- Tuition price will go from \$5,472 to \$5742/UG student.
- If the CSU is fully funded by the state, the Chancellor will repeal the tuition increase.

Scenarios from February Update

Scenario 1: Governor funds \$157 million and no other state funds.

- Includes:
 1. \$139 million for compensation, includes “me too” clause
 2. Health care, retirement contributions, utilities
 3. No funding for student success, enrollment growth, facilities

Scenario 2: Scenario 1 above plus tuition increase passes.

- Includes:
 1. \$75M net additional funds from tuition
 2. Funds student success initiatives—increase must tie to student success
 3. No funding for enrollment growth or facilities

Scenario 3: Scenario 1 and 2 above plus additional funding from state, including deferred maintenance.

- Includes:
 1. Funding for facilities and some enrollment growth

** All budget scenarios are built on 5,589 FTEs; budget totals do not include the \$750,000 allocation from the CO for Grad. Initiative 2025*

Scenario 2 – Enrollment Changes

Scenario A: 0% Growth in 2018/19 and 2019/20

1. No enrollment and tuition increase
2. Expenses: \$1.2M/year - faculty promotions (\$145K/year), fixed costs (\$50K/year), compensation (\$1.1M/year)
3. 2019/20 balance: (\$598,000); Structural deficit of (\$1.8M)

Scenario B: 2% Growth in 2018/19 and 2019/20

1. 112/116 FTES increase; tuition increase: \$642,000/\$667,000
2. Expenses: \$1.2M/year - faculty promotions (\$145K/year), fixed costs (\$50K/year), compensation (\$1.1M/year)
3. 2019/20 balance: \$711,000; Structural deficit of (\$536,000)

Scenario C: 4% Growth in 2018/19 and 2019/20

1. 224/233 FTES increase; tuition increase: \$1.29M/\$1.33M
2. \$1.6M/year: faculty promotions (\$145K), fixed costs (\$458K/472K per year), compensation (\$1.1M); six additional faculty (\$800K/\$826K per year)
3. 2019/20 balance: (\$433,000); Structural deficit of (\$1.7M)

Budget Detail for Scenario 2B

Assumptions

- 2% enrollment growth in 2018/19 and 2019/20
- No tuition increase in future years
- Compensation increases by \$1.1M in each year; collective bargaining assumes a similar contribution as in current year
- No faculty FTE are added; no contribution to staff compensation pool

Permanent Budget – 2017/18

- Revenues
 - \$1.77M from tuition increase and \$409K from contingency unallocated
- Expenditures
 - \$1.3M for faculty promotions (\$143K), fixed costs (\$50K), compensation (\$1.1M) and student captioning service (\$145K)

One-Time Funds – 2017/18

- Revenues
 - \$550K campus unallocated for student success/completion and \$793K contingency
- Expenditures
 - \$100K Blackboard Analytics as offset for Grad Initiative 2025 funding

Three Year Projection

Cumulative Balance

2017/18

| | | |
|----------------------------|-------------|-------------|
| • Permanent Uncommitted | \$744,000 | |
| • Net One-Time Uncommitted | \$1,228,000 | |
| • Total Uncommitted | | \$2M |

2018/19

| | | |
|--|-------------|---------------|
| • Tuition | \$642,000 | |
| • Expenses (faculty promotions, compensation, fixed cost – utilities, insur., etc. | \$1.2M | |
| • Cumulative Permanent Uncommitted | (\$653,000) | |
| • Total Uncommitted | | \$1.3M |

2019/20

| | | |
|--|-------------|------------------|
| • Tuition | \$668,000 | |
| • Expenses (faculty promotions, compensation, fixed cost – utilities, insur., etc. | \$1.2M | |
| • Cumulative Permanent Uncommitted | (\$536,000) | |
| • Total Uncommitted | | \$711,000 |

Multi-year Summary

Summary

- 17/18 - 4.93% tuition increase
- 18/19 - 0% tuition increase/2% enrollment growth
- 19/20 - 0% tuition increase/2% enrollment growth
- \$711,000 positive balance with a \$536,000 structural deficit in the General Fund

Funding Methodology for 2017/18

- Temporary allocation of funds only
- Support reallocation of funds within division

Discussion Items

- Top priority for any new funding received will support strategic initiatives
- Reserve Uncommitted Ending Balance in 2017/18 to cover operating shortfalls in the following two year
- Establish divisional contingency

UPDATE TO THE STRAW BUDGET

Multi-Year Planning