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).
  o Will go into effect for fall 2017 term
  o Expected to generate roughly $77.5 million

• Tuition price will go from $5,472 to $5,742/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

### 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