

DIVISION OF BUSINESS & FINANCIAL AFFAIRS

COVID-19 BRIEFING - UPDATE

February 2, 2021

Unit: Financial Services

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INFORMATION:

Update on approval level required for campus expenditures, revising approval level for expenditures over \$5000 to the responsible Vice President/Provost rather than the full Cabinet.

BACKGROUND AND POLICY ISSUE(S):

As a result of the COVID-19 crisis, the State of California and the CSU System are faced with extraordinary budgetary and fiscal challenges. In response to the state economic disruption caused by COVID-19, the enacted FY 2020-21 State budget resulted in a permanent reduction in CSU funding of \$299 million. As a result, CSUCI campus appropriated funds were permanently reduced by \$5.1 million. While California benefited from years of fiscal prudence, enabling the state to weather economic setbacks in 2020, the Governor's proposed budget for FY 2021-22 still reinstates less than 20% of the \$299M budget reduction enacted in FY 2020-21 when accounting for CSU estimated mandatory cost increases.

Based on previous briefings to Cabinet dated March 22, 2020, and April 29, 2020, CSUCI put into place certain cost mitigation efforts, including requiring that any expenditures over \$5,000, either one-time or on an ongoing basis, be reviewed and approved by both the appropriate VP/Provost for his/her area as well as the Cabinet as a whole.

While there is a continuing need to have increased oversight over expenditures, with more certainty around the budget for the current and upcoming fiscal years, approval of expenditures over \$5000 need no longer be presented to the full Cabinet for approval. Such expenditures should continue to be submitted for review and approval to the appropriate Vice President/Provost.

SUPPORTING DOCUMENTATION:

- [Cabinet Briefing on Cost Mitigation Measures - March 20, 2020](#)
- [Update 1 to Cabinet Briefing on Cost Mitigation Measures - April 29, 2020](#)

CURRENT UPDATE: See above.

SUPPLEMENTAL DOCUMENTS: N/A