CSUF Budget 101

Presentation to the Planning, Resource & Budget Committee

Laleh B. Graylee
AVP, Resource Planning, Analysis & Budget Administration & Finance
November 1, 2019
Topics

• CSU Annual Budget Cycles & Timelines
• Allocation of Funds from State to CSU and Campuses
• CSU Budget Funding Methodology
• University Funding Sources
• Campus Budget Allocation Process
• Important Budget Terms & Definitions
State of California Budget Timelines

• CSU is a State Agency – Agency 6610
  – State of California Budget Calendar
    • Agency Requests November
    • Governor’s Budget January
    • Legislative Analyst February
    • May Revise May
    • Final Budget July

• Trustees Support Budget Request
  https://www2.calstate.edu/csu-system/about-the-csu/budget/2017-18-support-budget/Pages/default.aspx/
BUDGET TIMELINE

- **SEPT**: Budget Plan
- **OCT**: Budget Request
- **NOV**: Finalize Course Schedule
- **DEC**: Budget Plan
- **JAN**: Students Accepted
- **FEB**: Budget Hearings
- **MAR**: Adopt Budget
- **APRIL**: Revise Budget
- **MAY**: Adjust Budget
- **JUNE**: Student Intent
- **JULY**: Student Orientation
- **AUG**: Classes Begin
California State Budget
Sources of State General Fund Revenue

- Personal Income Tax: 70%
- Sales & Use Tax: 19%
- Corporate Tax: 9%
- Insurance Tax: 2%
- Other Sources: 0%
State General Fund Expenditure Budget

- Health & Human Services: 28%
- Higher Education: 12%
- K-12 Education: 39%
- Natural Resource & Environment: 7%
- Other: 2%
- State Government: 3%
- Corrections: 9%
Higher Education General Fund Budget

- Community Colleges: 38%
- California State University: 25%
- University of California: 24%
- Student Aid Commission: 10%
- GO Bonds: 3%
Historical CSU Funding
# State of California Allocations to CSU

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Governor's Budget</th>
<th>CSU Request</th>
<th>Final State Budget</th>
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(in millions)
Historical CSU Funding
Change in Share of Funding for CSU over 40 years

Tuition & Fees - More Than Half of General Operating Fund
CSU Operating Budget
CSU General Operating Fund Sources of Revenue

Tuition & Fees - Half of General Operating Fund
General Operating Fund Expenses by Category
Fee Revenue
Categories of Fees

Category I – System-wide
– System-wide mandatory fees (Tuition, Non Resident Tuition, Doctoral Program Tuition, Tuition, Graduate Business Professional Fee & Application Fee)

Category II – Campus Based
– Campus mandatory fees that must be paid to enroll in or attend the university

Category III – Course Fees
– Course specific fees in support of state offered classes

Category IV – Fees for Service
– Fees paid to receive materials, services, or for the use of facilities provided by the University; and fees or deposits to reimburse the university for additional costs resulting from dishonored payments, late submissions, or misuse of property or as a security or guaranty

Category V – Self Support Admin Fees & Fines
– Fees paid to self-support programs such as Extended Education, Parking, and Housing including materials and services fees, user fees, fines and deposits

Category VI
– System-wide voluntary fees such as Student Involvement & Representation Fee (SIRF)
Campus Allocations – CSU Level

- Baseline
  - Incremental Increase to Prior Year Base
  - Other Special Allocations (if allocated in state budget)

- One-Time
  - Special Allocations
Campus Allocations – Components

- Components/Variables
  - New Mandatory Costs (Health, Dental, Retirement, Compensation Increases)
  - Enrollment Growth
  - State University Grant/Pell Eligibility
  - CSU Priorities (Student Success/GI 2025)
  - Operation & Maintenances of New Facilities/Space
  - Other Special Allocations (if allocated in state budget)

- Historically Enrollment Based Funding
- State is Moving Toward Performance Based Funding (Improving Graduation Rate)
Compensation & Benefits – CSU Level

- Components/Variables for allocation
  - Health
  - Dental
  - Retirement
  - Compensation
  - Minimum Wage Increase
Enrollment Growth – CSU Level

- Components/Variables for Funding Decisions
  - CSU enrollment target is determined by total new General Fund
  - Campus enrollment targets are set after a conversation between the Chancellor and Presidents
  - Local Demand
  - Campus Impaction Decisions
  - Balancing on-going new enrollment demands with increases in Average Unit Load
  - Overall Capacity
Financial Aid/State University Grant – CSU Level

• State University Grant
• Governed by CSU (approx. 30% of Tuition)
• Incrementally Increased from Tuition
• Adjusted Annually
• Based on % of SUG Eligible Population by Campus and Actual Need
Graduation Initiative Funding
6 Pillars of GI 2025

- Student Engagement and Well-being
- Financial Support
- Data-Informed Decision Making
- Administrative Barriers
- Enrollment Management
- Academic Preparation

Degree Completion
Operation & Maintenance of New Facilities

$11.75/sq ft funding for Regular Maintenance of New Facilities

- Utilities
- Building Maintenance
- Custodial
- Landscape
- Administrative

- Cost Standard should be more appropriately budgeted at $17.64
- The unfunded need have contributed to the growth in the deferred maintenance backlog to $3.7 billion.
CSUF Funding Sources/Uses, Timelines & Allocation Process
Fiscal Year 2019-20 Campus Budget

$623.8M
FY 2019-20 Operating Fund Baseline Budget

REVENUES ($463.6M)
- Tuition: 44.9%
- State Allocation: 49.0%
- Other Fees: 3.6%
- Non-Resident Fees: 2.5%

EXPENSES ($463.6M)
- Salaries and Benefits: 73.3%
- Operating Expenses: 14.6%
- Tuition Discounts: 12.1%
Fullerton General Fund and Resident Student Enrollment
FY 2007 - 2019
FY 2019-20 Operating Fund Baseline Budget (by Divisions)

FY 19-20 Operating Fund ($463.6M)

- University Wide: 49.0%
- Academic Affairs: 33.8%
- Administration and Finance: 5.1%
- HRDI: 1.1%
- Information Technology: 3.6%
- Office of the President: 0.4%
- Student Affairs: 5.2%
- University Advancement: 1.8%
FY 2019-20 Operating Fund Baseline Budget (University-Wide)

FY 19-20 University-Wide ($227.4M)

- Financial Aid: 25%
- Utilities: 5%
- Compensation/Benefits: 56%
- Maintenance and Repair: 0%
- Risk Pool: 2%
- All University General Expenses: 5%
- Health Services: 1%
- Deferred Maintenance: 1%
- Capital Lease: 5%
University Budget Process & Timelines

• CSUF Budget Process & Timelines

  • University Planning Resource and Budget Committee (PRBC) – reviews budget priorities and develops budget recommendations to the president (fall through end of spring semester)

  • State/CSU budget approved – June 30

  • President responds to PRBC’s recommendations (Budget Letter)

  • University allocates budget to departments
# BUDGET CALENDAR

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<th>AUG</th>
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## State / Legislature

- Governor's Budget Issued
- Legislative Analyst Analysis
- Legislative Hearings
- May Revise
- Budget Signed

## CSU Chancellor / Board of Trustees

- Executive Council Review
- FTES Target Allocated by CO
- Statement of Priorities
- Trustees Approve Next Year's Budget
- Preliminary Campus Allocations
- Final Campus Allocations

## CSU Fullerton

- Submit Budget Requests for Cabinet Review
- President Approves Budget & Responds to PRBC
- University Allocates New Budget to Departments
- PRBC Budget 101 Training
- Publish Annual Budget Reports
- Academic Senate Fall "Fiscal State of the University" Presentation
- Self Support/Aux. Budget Proposals for New Fiscal Year
- Self Support/Aux. Budget Proposals Reviewed
- Fiscal Year End
- New Fiscal Year
- 2nd Quarter / Mid-Year Divisional Budget Review
- Budget Planning for Next Fiscal Year
- 3rd Quarter Divisional Budget Review
- PRBC Identifies Priorities and Drafts Letter to President
- Academic Senate Spring Budget Outlook
- Divisions Prepare Budget Requests
- Campus Receives New Allocations from CSU
Campus Budget Planning Allocation Scenarios

Revenue and Expenditure Modeling/Projections

Variables

- Past Trends
- Rates
- CO’s Resident Enrollment Target
- Campus Enrollment Plan
- Student Faculty Ratio (SFR)
- Fixed / Permanent Costs
- Marginal Costs
- Tuition Waivers
- Campus Baseline Enrollment Budget (FTES, $)
- Actual vs. Funded Enrollment Revenues
- Revenue Shortfall or Surplus – Variance from Funded Target
General Operating Fund
Campus Budget Allocations

Baseline

• Baseline Budget – Permanent – On-Going
• Campus use Priority Based Incremental budgeting process

One-Time

• Not Permanent (Example: Over-Enrollment)

New Baseline Budget = Prior Year’s Base + New FY Base Adjustments

New FY Budget = Previous Year’s Base + New Base Adjustments + New One-Time Allocations + Prior Year Carry-Forward
More Information

http://budget.fullerton.edu
Questions?