CALIFORNIA STATE UNIVERSITY
SAN BERNARDINO

FY 2024-25 Operating Budget Presentation

University Budget Advisory Committee (UBAC)

September 6, 2024

FY 2023-24 OPERATING BAL AT A GLANCE

June 30, 2024 Operating Fund Budget Balance Available (BBA)

Division/Central (a)	Budget (b)	Actual (c)	Encumbrance (d)	Budget Balance (e)	FY 23/24 GSI Adjustments Allocated in FY 24/25 (f)
President's Office	1,199,381	1,132,844	880	65,657	(1,553)
Academic Affairs	103,436,300	107,330,444	282,099	(4,176,243)	3,176,476
Student Affairs	13,004,574	10,591,252	1,074,231	1,339,091	47,832
Finance, Technology & Operations	37,390,452	35,633,979	1,702,164	54,308	14,027
University Advancement	7,051,623	6,622,693	198,667	230,263	(9,146)
Human Resources	4,358,347	4,058,144	98,745	201,457	(6,813)
Strategic Enrollment Management & Marketing	5,191,082	5,086,210	46,926	57,945	(8)
Central	36,584,623	11,099,845	143,062	25,341,715	1,277,053
Total	**$ 208,216,380**	**$ 181,555,410**	**$ 3,546,776**	**$23,114,195**	**$ 4,497,867**

Note (Col f):
GSI for CFA & Other Adjustments was completed on July 2024 (FY 24/25)

Fund Balance: Column (b) – Column (C) = $26,660,970

FY 2023-24 OPERATING BAL AT A GLANCE

June 30, 2024 Central Budget Balance Available (BBA)

Central Carry-forward		Amount
Summer Revenue Accrual[1]	$	7,380,214
Compensation Pool		4,517,320
One-time Reserve/Other		7,621,322
Capital Project Reserve		6,437,000
Capital Sweep Funds		1,103,831
HEERF Reserve		544,130
Financial Aid		325,624
Housing & Athletics Deficit Mitigation		(2,500,000)
Deferred Maintenance		(87,726)
Total Central Carry-forward Balance	**$**	**25,341,715**

Footnote:
Since Summer spills over two fiscal years, the FY 23/24 revenue will be reversed in FY 24/25 and the actual revenue will be recorded

OPERATING FUND - FUND BALANCES (FY 18-19 – FY 23-24

Fiscal Year	Fund Balance	% Increase (Decrease)
2018-19	28,864,633	
2019-20	15,427,291	-47%
2020-21	28,406,452	84%
2021-22	41,843,798	47%
2022-23	40,028,380	-4%
2023-24	26,660,970	-33%

Footnote:

FY 19-20: COVID Year; fee revenue was down; expenses went up
FY 20-21: Deallocation of $10 M GF; HEERF I Grant; expenses were down
FY 21-22: Restoration of $7.6 M GF; HEERF II Grant; expenses increased
FY 22-23: 1st year of compact funding; expenses increased by 27%; fee revenue loss due to lower enrollment
FY 23/24: 2nd year of compact funding; fee revenue loss; expenses remained high

GOVERNOR'S FINAL BUDGET

- **Governor Newsom has signed the Budget Act of 2024 on June 26, 2024.**
  - **FY 24/25 Law: the final budget provided the CSU with a 5% increase in base state funding for 2024-25 (approximately $240 million).**
  - **FY 24/25 Law: a one-time reduction of $75 million.**
  - **FY 25/26 Intent: base reduction by 7.95% or $397 million base GF reduction.**
  - **FY 26-27 Intent: $252 million deferral from FY 25/26**
  - **FY 27-28 Intent: $264 million deferral from FY 26/27**

CSUSB FY 24-25 BUDGET OUTLOOK

Final Allocation Memo:
Total Budget Augmentation for CSUSB: $17,301,000

- **Compensation Allocation FY 23/24: $4,603,000**
- **Compensation Allocation FY 24/25: $1,525,000**
- **Mandatory Cost increases for Health and Property & Liability Insurance: $4,106,000**
- **Operation & Maintenance of New Facilities: $1,745,000**
- **Students with Disabilities, Grad Initiative/Student Success, and Veterans Tuition Waivers: $1,026,000**
- **Project Rebound: $386,000**
- **State & Federal NAGPRA & DHR: $550,000**
- **State University Grant (SUG): $9,859,000**
- **General Fund Adjustment: -$6,499,000**

CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Operating Fund Base Budget

FY 2024/25

Row #	Baseline Sources	FY 23/24 Base Revenue	FY 24/25 Revenue/Expense
	State Operating Fund (Preliminary Allocation Memo)		
1	**FY 23/24 Base Budget**	**168,188,000**	
	FY 24/25 Base Budget		
2	FY 23/24 Compensation		4,603,000
3	Support for Students with Disabilities		34,000
4	Project Rebound		386,000
5	FY 24/25 Compensation		1,525,000
6	Graduation Initiative / Student Success		812,000
7	Health Care Cost Increases		3,056,000
8	Operation & Maint of New Facilities		1,745,000
9	Liability & Property Insurance Premium		1,050,000
10	Title IX and DHR		400,000
11	State & Federal NAGPRA		150,000
12	Veteran Tuition Waivers		180,000
13	State University Grant		9,859,000
14	GF Adjustment		(6,499,000)
16	**Total New Budget Appropriation**		**17,301,000**
17	**Total State Base Funds**	**185,489,000**	
	Campus Revenue		
18	**FY 23/24 Base Tuition & Fee Revenue**	**104,452,867**	
19	FY 24/25 New Campus Fee Revenue		**3,061,429**
20	**Total Campus Base Fee Revenue**	**107,514,297**	
21	**Total Base Revenue (State + Campus)**	**293,003,297**	**20,362,429**
	Base Mandatory Commitments		**Amount**
22	FY 23/24 Compensation		4,603,000
23	FY 23/24 Compensation Base Deficit (4% vs. 5%)		1,600,000
24	FY 24/25 GSI and Unit 03 SSI Increases		11,500,000
25	Students With Disabilities		34,000
26	Project Rebound		386,000
27	Graduation Initiative / Student Success		812,000
28	Health Care Cost Increases		3,056,000
29	Operation & Maint of New Facilities		1,745,000
30	Property & Liability Insurance Premium		1,050,000
31	Veteran Tuition Waivers		180,000
32	Utilities		675,000
33	2023-24 SUG Adjustment		9,859,000
34	FY 23/24 HR Budget Reduction Base Deficit		159,330
35	Strategic Planning		1,266,800
36	**Base Mandatory Commitments**		**36,926,130**
	CO Mandated Base Commitment		
37	Health Care Cost Increase (11.32%) - Budgeted 1x in FY 23/24		1,530,000
38	State & Federal NAGPRA		559,350
39	Title IX and DHR		297,154
40	**Total CO Mandated Commitments**		**2,386,504**
41	**Net Revenue (Deficit) with FY Mandatory Expenses**		**(18,950,205)**
42	**Base Divisional Commitments (Cabinet Approved)**		**1,467,028**
43	**Total Deficit**		**(20,417,233)**

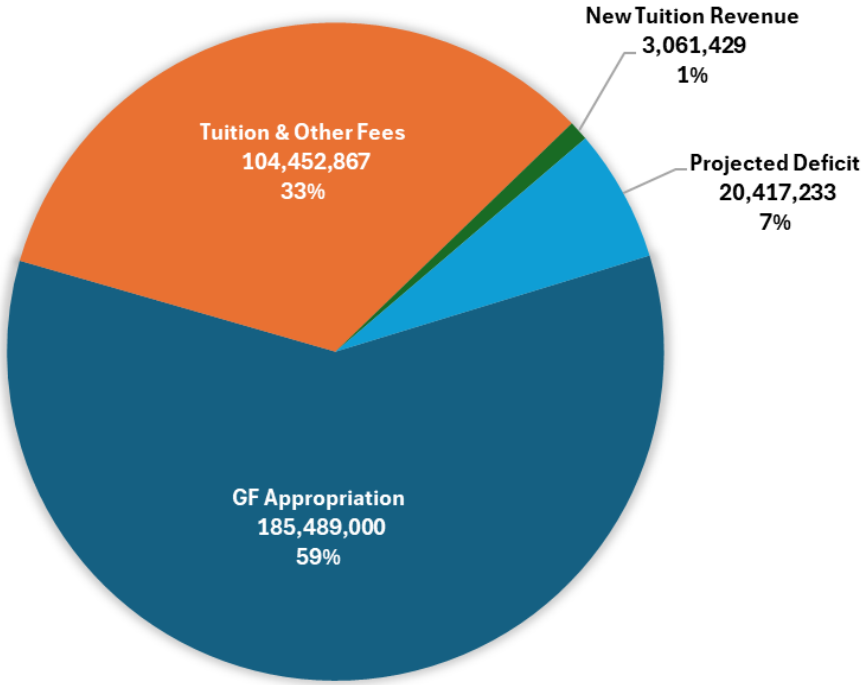
FY 2024-25 CSUSB BUDGET SUMMARY

New Revenues	
5% State appropriation increase (compact)	17,301,000
Tuition and Fees	3,061,429
Total	**20,362,429**
New Mandatory Expenses	
FY 23/24 and 24/25 Compensation Increases	16,103,000
FY 23/24 1% Compensation Increase Differential	1,600,000
State University Grant (SUG) financial aid	9,859,000
Health/insurance premiums & Other Mandatory Commitments	9,627,330
State & Federal NAGPRA, Title IX and DHR programs	856,504
Strategic Planning	1,266,800
Other Non-Mandatory Cabinet Approved Budget	1,467,028
Total	**40,779,662**
Total Projected Deficit	**(20,417,233)**

CSUSB FY 24-25 BUDGET OUTLOOK

FY 2024-25 budget deficit represents about 7% of CSUSB's overall 2024-25 operating budget.

$313.4 M FY 2024-25 Operating Budget



ENROLLMENT CHALLANGE

- **CSUSB's enrollment is still below the CO enrollment target.**
- **Under the policy approved by the CSU Senior Leadership Council, CSUSB's allowable enrollment threshold is 7% below the enrollment target in FY 24/25 to keep the enrollment target and the funding in FY 25/26.**
- **If the threshold is more than 7% below the enrollment target, in fiscal year 25/26, CSUSB will lose 5% of enrollment funding, as well as enrollment target.**
- **There is a possibility that the FY 25/26 enrollment reduction plan will not be implemented if CSU receives the said General Fund reduction as the enrollment funding is tied to the Compact funding.**

NEXT STEP TO MITIGATE DEFICIT

Recommendations

- **Immediate hiring freezes except for critical and essential positions.**
- **Eliminating positions**
- **Reduce travel expenses.**
- **Decrease OE&E for equipment and furniture expenses.**
- **Course and class size changes**
- **Reductions in faculty release time from committee work and reductions in sabbaticals.**
- **Program consolidation.**
- **Consideration of voluntary separation and early retirement programs**

FY 2024-25 & 2025-26 CSUSB BUDGET

The Final Budget Act of 2024 has expressed in law the intent to impose a 7.95% reduction of CSU base operating budget, equivalent to a cut of $397 million. The GF appropriation reduction of $15 million will directly impact CSUSB operating budget.

Multi-year Budget

	FY 23/24	FY 24/25	FY 25/26
CO Prior Year Allocation	159,914,000	168,188,000	185,489,000
CO Planning Year Allocation (De-allocation)	8,274,000	17,301,000	(15,000,000)
Reinstate $75 M Cut			4,048,000
Total CO GF Appropriation	**168,188,000**	**185,489,000**	**174,537,000**
Total Campus-Generated Revenue	**104,452,868**	**107,514,297**	**113,947,932**
Total Revenue for CSUSB	**272,640,868**	**293,003,297**	**288,484,932**
Planning Year Budget Increase (Decrease)	1,270,035	20,362,429	(4,518,365)
Planning Year Budget Commitment	**12,469,673**	**40,779,662**	**12,541,795**
Budget Surplus/ (Deficit)	(11,199,638)	(20,417,233)	(17,060,160)
Deficit Mitigation	11,199,638	-	-
Balance (Deficit)	**-**	**(20,417,233)**	**(17,060,160)**

CSUSB FY 24-25 ONE-TIME BUDGET

CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Operating Fund One-time Budget

FY 2024/25

	One-Time Revenue Adjustments		FY 24/25 Addition
1	**State Operating Fund**		
2		**Lottery Allocation**	**98,000**
3	**Campus One-Time Source**		
4	2023 Summer CF		1,000,000
5	2024 Summer Net Revenue		2,000,000
6		**Total 1x Campus Revenue**	**3,000,000**
7	**Total One-Time Revenue**		**3,098,000**
8	**One-Time Commitments**		
9	Lottery Education Expense		98,000
10	iHUB 2023 Rent and Sublease Improvement (Thru 26/27)		116,370
11	CGI Agreement (FY 24/25 DS Payment)		932,374
12	CGI Agreement Down Payment (Installment #2)		691,689
13	CGI Agreement FY 19/20 - 21/22 DS (Installment #2)		424,042
14	Allocation Against Cell Tower Lease Revenue (Estimated)		391,746
15	Title IX Reserve		200,000
16	SSD Reserve		400,000
17	Various Deficit Mitigation		215,000
18	Central Various Fiscal Year Obligations		524,528
19	PE Building Solar Panel Removal		206,240
25		**One-Time Commitments**	**4,213,731**
26	**Net One-Time Balance (Deficit)**		**(1,115,731)**

QUESTIONS?