

# CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

CAMPUS BUDGET FORUM

April 20, 2017

Dr. Tomás D. Morales

*President*

# UNIVERSITY PRIORITIES

# University Priorities

- **Strategic Plan Implementation (Year 2 to Year 3)**
  - Recruitment of net new and replacement tenure/tenure-track faculty
  - Creation of Faculty Center for Excellence and the Center for Staff Leadership Development and Employee Enrichment
  - CSUSB Identity and Marketing
- **Student Success**
  - Graduation Initiative 2025

# University Priorities Continued

- **Quarter to Semester Conversion – Fall 2020**
- **Comprehensive Campaign for CSUSB**

# Tenure Track Density

	2010	2011	2012	2013	2014	2015	2016
<b>CSUSB Tenure Track FTE</b>	369.3	368.6	368.2	376	382.1	379.5	396.7
<b>CSUSB Tenure Track Density</b>	63.1%	63.3%	60.1%	59.7%	59.4%	55.4%	57.2%
<b>CSU Tenure Track Density</b>	64.5%	62.0%	60.6%	58.2%	56.3%	55.4%	55.5%
<b>CSUSB Systemwide Ranking</b>	15	11	13	10	8	11	9

Source: Academic Human Resources, Chancellor's Office

- CSUSB Tenure-track hires steadily increasing since 2012.
- Additional PT Faculty hired due to increase in First-Time Freshmen, need to eliminate bottleneck courses, and additional course sections.
- 17/18 T/TT Hiring Outlook
  - 7 Net New Faculty Recruitments
  - Up to 11 Replacement Faculty Recruitments

Dr. Douglas R. Freer

*Vice President, Administration & Finance*

# BUDGET UPDATE

# 2017/18 Budget Challenges

- **Estimated Unfunded Mandatory Costs - \$1.7 Million**
  - Compensation Shortfall – \$970,000
    - Campus covered portion of 16/17 costs with one-time funds
  - General Liability Insurance – \$145,000
    - Premium increase
  - Retirement Premiums – \$600,000
    - Costs above FY 13/14 pensionable payroll level now a campus responsibility.

# 2017/18 Budget Challenges

- **Estimated Lost Revenue - \$1.4 Million**
  - Non-Resident Enrollment – \$820,000
    - Reduction of 63 FTE students
  - Overall Change in Student Enrollment - \$560,000
    - Average Unit Load increase and Headcount decrease



# 2017/18 Budget Scenarios

- **Scenario 1 – Governor’s Plan + Fee Increase**

- Additional State Funding to CSU = \$157.2M
  - *CSUSB Estimated Share = \$6.3 Million (4%)*
- Student Fee Increase (*Approved by CSU BOT, March 2017*)
  - Tuition Fee – Increased approx. 5% (UG/Cred), 6.5% (Grad)
  - Non-Resident Per Unit Fee – Increased approx. 6.5%
- No Enrollment Growth

- **Scenario 2 – Full CSU Trustee Request**

- Additional State Funding to CSU = \$343.7M
  - *CSUSB Estimated Share = \$13.3M (4% excl. Facilities Needs)*
- No Tuition Increase
- 1% Enrollment Growth

# 2017/18 Budget Scenarios

	Current Year 16/17	17/18 Scenarios	
		Governor's Plan w/Fee Adj. No EG	Trustee Request w/1% EG. No Fee Adj.
State Appropriation	\$102,400,408	\$109,497,408	\$116,517,408
Prior-Year State Approp. - Retirement Adj.	\$797,000	\$1,435,000	\$1,435,000
Public Works Bond Refinancing (CO Approp.)	\$0	\$1,300,000	\$0
Tuition - Resident	92,139,250	95,797,812	92,596,570
Tuition - Non-Resident	5,149,561	4,961,990	4,748,690
Non-Resident Per Unit Fee	8,211,831	8,410,340	7,857,340
Other Student Fees	900,000	900,000	900,000
<b>Total Budget</b>	<b>\$209,598,050</b>	<b>\$222,302,550</b>	<b>\$224,055,008</b>
Tuition Discount Requirement	34,164,900	35,594,242	34,468,395
<b>Total Budget - Net Financial Aid</b>	<b>\$175,433,150</b>	<b>\$186,708,308</b>	<b>\$189,586,612</b>
<b>Total Budget Increase Between Fiscal Years</b>		<b>\$11,275,158</b>	<b>\$14,153,462</b>
Mandatory Costs (Employee Compensation/Benefits/Insurance)		(9,864,000)	(9,864,000)
16/17 Compensation Shortfall		(882,761)	(882,761)
<b>Net Budget Surplus</b>		<b>\$528,397</b>	<b>\$3,406,701</b>
Strategic Plan Implementation (Year 3)		(1,178,000)	(1,178,000)
<b>Net Budget (Including Strat Plan)</b>		<b>(\$649,603)</b>	<b>\$2,228,701</b>
1x Funds - 16/17 Enrollment Overage (\$3m available)		649,603	0
1x Funds - Working Capital Reserve (\$5m available)		0	0
<b>Net Budget w/1x Funds</b>		<b>\$0</b>	<b>\$2,228,701</b>

# Reserve Management Plan

- **Working Capital Reserve (Rainy Day Fund)**
  - Safety Net for Unanticipated Expenditures
  - \$5M One-Time
- **Capital Development Reserve**
  - Resource to Expand University Facilities
  - \$500K Baseline
  - 2017/18 Starting Balance= \$1.5M
- **Deferred Maintenance Reserve**
  - Annual Resource for Addressing Deferred Maintenance Projects
  - \$711K Baseline

# Budget Strategies

## If CSUSB faced a budget allocation shortfall:

- **Over-Enrollment Tuition Revenue** –\$3M Estimated
  - Enrollment above CO Target
  - Fluctuates year by year
- **Working Capital Reserve (Rainy Day Fund)** - \$5M Available
  - Established in FY 15/16
  - One-Time Funds
- **Additional Strategies**
  - Capital Development Reserve - \$500k Base/\$1.5M One-Time
  - Deferred Maintenance Reserve - \$711k Base

# Pending Questions for 2017/18

- Will CSUSB receive more than the historical 4% of the State Allocation?
- Will the 2% compensation reserve pool cover open employee contracts?
- Will Federal regulations and global uncertainty continue to affect Non-Resident Enrollment at CSUSB and/ or reallocations of the State budget away from higher education?

# What's Next

Action	Date
CO Releases Initial Budget Memo	Late April
Governor Releases May Revise	Mid-May
UBAC Committee Meets	Late May
CO Releases Final Budget Memo	Early July
Campus Finalize & Post Budgets	Late July

# Budget Information

**University Budget Office**

[budget.csusb.edu](http://budget.csusb.edu)