

# CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

CAMPUS BUDGET FORUM

October 27, 2016

Dr. Tomás D. Morales

*President*

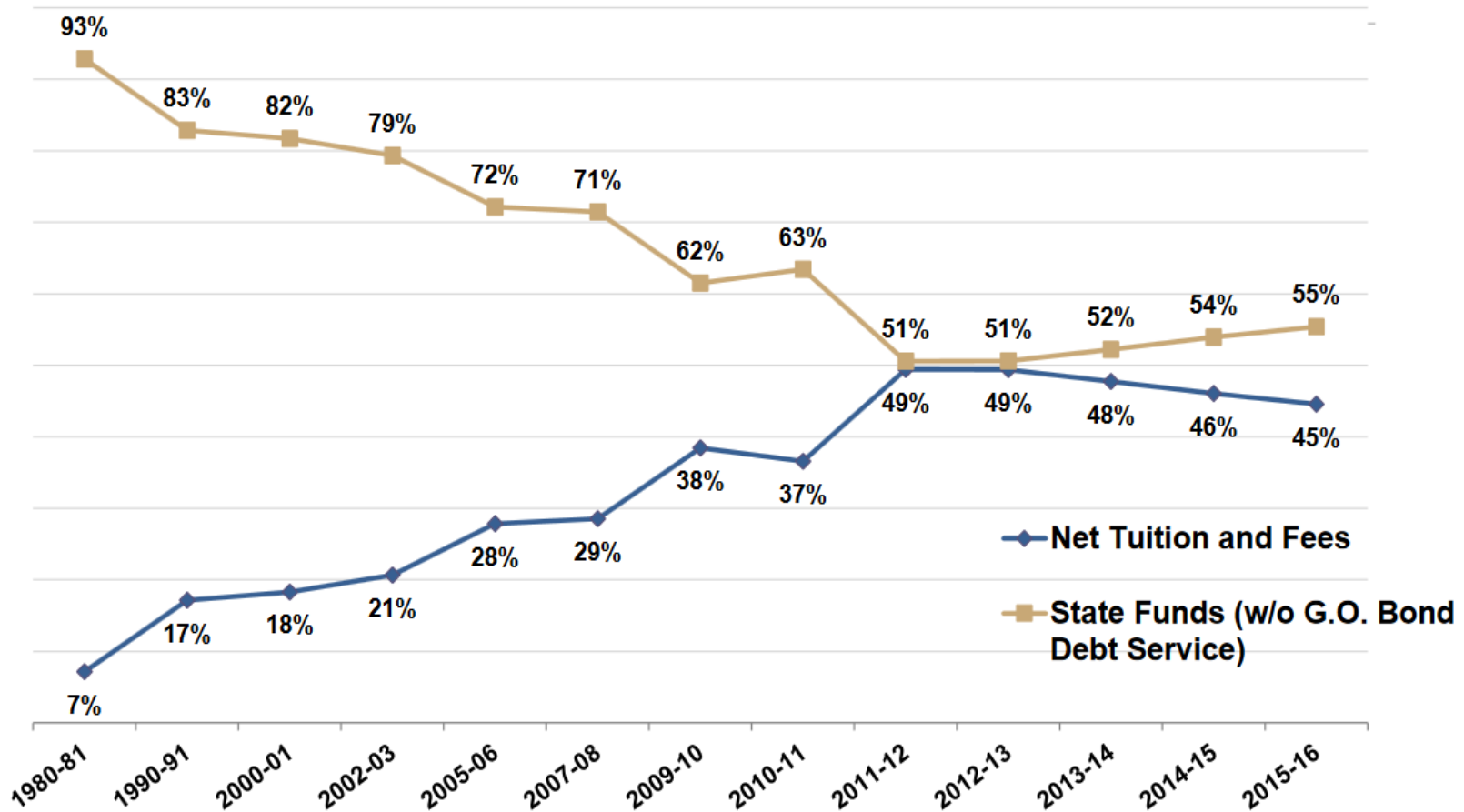
# CURRENT FOCUS

# CSU BUDGET REALITIES

- Mandatory Cost Increases
  - Health & Retirement
  - New Facility Costs
  - State and Federal Wage Law
- Compensation Pool Increases
- Enrollment Growth
- Student Success/Graduation Initiative 2025
- Facilities & Infrastructure Needs
  - New Construction and Deferred Maintenance

# CSU FUNDING HISTORY: GF & TUITION

Gap Between State Appropriation and Tuition and Fees as a Percentage of Funding Source has Narrowed



# CSUSB FOCUS

- **University Priorities**

- Strategic Plan Implementation – Year 2
  - Recruitment of net new and replacement faculty
  - Creation of Faculty Center for Excellence and the Center for Staff Leadership Development and Employee Enrichment
  - CSUSB Identity and Marketing
- Graduation Initiative 2025
  - Emphasis on 4-year graduation rates for freshmen and 2-year graduation rates for transfers
- Quarter to Semester Conversion – Fall 2020

# CSUSB FOCUS

- **University Priorities - Continued**
  - Complete Campus Master Plan for San Bernardino and Palm Desert/Move Forward on Phase I Capital Projects
    - New Housing/Dining Project
    - New Center for Global Innovation
    - Utilities Infrastructure Upgrade
    - Renew national commitments to sustainability
  - Comprehensive Campaign for CSUSB

# CSUSB FOCUS

- **Student Success and Completion Initiatives**
  - Increase Four Year Graduation Rates
  - Super Senior Graduation Outreach
  - Enhanced Advising Experiences
  - First Year Experience Programming
  - PDC Student Success Center
  - Learning Communities Programming
  - Gateway Course Student Support
  - Supplemental Instruction

# CSUSB FOCUS

- **Enrollment**

- 16/17 Enrollment Changes From Prior-Year
  - Resident Increase - 233 FTE, CO Authorized Increase
  - Non-Resident Decrease - 56 FTE, Campus Adjusted Target
- 17/18 Enrollment Growth
  - 1% Growth Anticipated



# CSUSB FOCUS

- **Instruction/Faculty & Staff Support**
  - 26 Net New Tenure Track Faculty Hired Over Past 2-Years
    - 67 Total Hired Over 2-Years
    - For 2017-18, Full Replacement of Vacated/FERP Faculty Positions
  - Faculty/Staff Professional Development
    - Strategic Plan Commits Funds for Faculty Center for Excellence and Staff Development Center
    - Travel for Professional Development
      - Total: \$3.6 million in 2015-16, \$1.9 million Academic/ Colleges, \$1.7 million Other Divisions
    - Fee Waivers/Class Release-Time for Staff
      - \$1.5 million in support in 2015-16 for 166 employees

Dr. Douglas R. Freer

*Vice President, Administration & Finance*

# BUDGET UPDATE

# LOOKING AHEAD – 2017/18

- **CSU's Preliminary Budget Plan**
  - Revenue Increase = \$177 Million
    - Net Tuition From Enrollment Growth = \$20 Million
    - Governor's Funding Plan = \$157 Million
  - Expenditure Increase = \$346 Million
  - ***CSU's Need Above Anticipated Revenue = \$169 Million***
- **CSU's Anticipated Enrollment Growth – 1%**
  - 153 FTE for CSUSB
- **Anticipated Mandatory Costs**
  - Employee Compensation Increase
  - Employer Paid Benefit Increase (Retirement/Health, incl. Affordable Care Act)

# GOVERNOR'S SUPPORT FOR HIGHER EDUCATION

- **History of State Support**

- 2013/14 - \$125.1 Million
- 2014/15 - \$142.2 Million
- 2015/16 - \$225.0 Million
- 2016/17 - \$154.0 Million
- ***2017/18 - \$157.0 Million (Governor's Plan)***

# CURRENT YEAR – 2016/17

- **Campus Base Increase- \$7.9 Million**
  - Impacted by Reduction of Non-Resident Revenue

State Appropriation Increase	\$8,279,000
Tuition Fee Increase (Enrollment Growth)	602,571
Non-Resident Fee Decrease	(965,948)
<b>Total Base Increase</b>	<b>\$7,915,623</b>
Mandatory Costs/Campus Needs	(7,788,384)
Strategic Plan	(1,010,000)
<b>Net Base Change</b>	<b>(\$882,761)</b>
CO 1x Funds for Compensation	882,761
<b>Current-Year Net Change</b>	<b>\$0</b>

- Shortfall Offset by Chancellor's Office One-Time Funds

# CURRENT YEAR – 2016/17

- **One-Time Funds - \$23.7 Million**

Campus Carry-Forward Balance	\$19,678,557
One-Time Funds from CO	3,981,000
<b>Total One-Time Funds Available</b>	<b>\$23,659,557</b>
<b><u>Distribution</u></b>	
Return to Divisions	7,807,402
Working Capital Reserve	5,000,000
Capital Development Reserve	500,000
Q2S Conversion (\$2.7M carry forward, \$1M new)	3,766,033
Misc. Multi-Year Commitments (ex: software licenses, SSD Office)	1,712,513
Deferred Maintenance	1,600,000
Strategic Plan (\$500k carry forward, \$690k new)	1,191,379
Compensation Shortfall	882,761
PT Faculty	800,000
SSI Swap	367,179
Central Accounts	32,290
<b>Total One-Time Distribution</b>	<b>\$23,659,557</b>

# RESERVE MANAGEMENT PLAN

- **Established in FY 2015-16**
  - **Working Capital Reserve/Reserve for Economic Uncertainty**
    - Provides a Safety Net for Unanticipated Expenditures
    - \$5 Million One-Time
  - **Deferred Maintenance Reserve**
    - Provides an Annual Resource for Addressing Deferred Maintenance Projects
    - \$711K Baseline (increased \$250K over prior-year)
  - **Capital Development Reserve**
    - Provides a Resource to Expand University Facilities
    - \$500K Baseline
    - Current Balance = \$1Million

# COLLECTIVE BARGAINING

- **2016/17 Ratified Salary Increases**

Employee Type	Increase Type	%	Eff. Date
Faculty	GSI	5.00%	June 30, 2016 (EOD)
Staff (excl SUPA)	GSI	3.00%	July 1, 2016
	GSI	2.00%	June 30, 2017 (EOD)
SUPA (Public Safety)	GSI	2.00%	July 1, 2016

- **2017/18 Ratified Salary Increases**

Employee Type	Increase Type	%	Eff. Date
Faculty	GSI	3.50%	July 1, 2017
	SSI	2.65%	Anniversary Date
Staff (excl SUPA)	GSI	3.00%	<del>July 1, 2017</del>
SUPA (Public Safety)	GSI	2.00%	July 1, 2017

**Correction – Staff contract has not been ratified.**



# FY 2017/18 BUDGET PROJECTION

	<u>17/18 Scenarios</u>			
	<u>Current Year 16/17</u>	<u>Governor's Plan</u>	<u>Tuition Increase</u>	<u>Full Funding</u>
State Appropriation	\$103,197,408	\$109,397,408	\$109,397,408	\$115,697,408
Student Fees	106,400,642	107,382,530	110,490,530	107,382,530
Total Budget	\$209,598,050	\$216,779,938	\$219,887,938	\$223,079,938
Tuition Discount Requirement	34,164,900	34,506,549	36,374,614	34,506,549
Total Budget - Net Financial Aid	\$175,433,150	\$182,273,389	\$183,513,324	\$188,573,389
<b>Total Budget Increase Between Fiscal Years</b>		<b>\$6,840,239</b>	<b>\$8,080,174</b>	<b>\$13,140,239</b>
Mandatory Costs* (Employee Compensation/Benefits/Insurance)		(7,982,000)	(7,982,000)	(7,982,000)
<b>Net Budget Available for Distribution</b>		<b>(\$1,141,761)</b>	<b>\$98,174</b>	<b>\$5,158,239</b>

\*Mandatory Costs do not include any estimated campus needs.

# BUDGET INFORMATION

**University Budget Office**

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