

Fiscal State of the University

Presentation to the Academic Senate

Danny C. Kim

Vice President for Administration and Finance/Chief Financial Officer

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CALIFORNIA STATE UNIVERSITY
FULLERTON[™]

Recap of FY 2015-16

- **Financial Results as Planned**
- **Continuing Escalation of Expenses**
- **Insufficient Baseline Funds**
- **\$63M Carry-Forward Balances
(Mostly Designated)**

2015-16 Fiscal Year

| Division | Baseline Budget | Fiscal Year Allocations | Expenditures | Balance |
|--------------------------|-----------------------|-------------------------|-----------------------|---------------------|
| Academic Affairs | \$ 138,211,055 | \$ 224,249,566 | \$ 224,774,981 | \$ (525,415) |
| Administration & Finance | 20,800,917 | 34,334,038 | 34,125,340 | 208,698 |
| HRDI | 4,745,437 | 7,441,912 | 7,473,904 | (31,992) |
| Information Technology | 13,117,197 | 22,268,687 | 22,172,286 | 96,401 |
| Office of the President | 1,744,150 | 2,159,521 | 2,445,826 | (286,306) |
| Student Affairs | 19,260,911 | 36,557,378 | 36,655,087 | (97,709) |
| University Advancement | 6,946,786 | 11,079,161 | 10,987,209 | 91,952 |
| University-Wide | 165,127,081 | 85,565,234 | 85,659,279 | (94,045) |
| University Total | \$ 369,953,535 | \$ 423,655,496 | \$ 424,293,913 | \$ (638,417) |

FY 2015-16 Carry Forward

| Carry-Forward | Balance |
|--|----------------------|
| Capital Financing, Maintenance & Repairs | \$ 13,361,736 |
| Utilities (including debt service) | 4,111,140 |
| Benefits Pool | 3,200,560 |
| Deferred/Future Revenue | 4,769,865 |
| University-wide Expenses & Commitments | 4,629,288 |
| Reserves | 15,000,000 |
| University-wide Total | 45,072,589 |
| Divisions | 18,479,663 |
| University Total | \$ 63,552,252 |

CSU Guidelines for Reserves - \$200M

Operating Fund Expenditures

Fiscal Budget (Excluding Auxiliaries and Post Awards)

| Expenditure Category | 2013-14 | 2014-15 | 2015-16 | % (FY 2015-16) |
|------------------------------------|-----------------------|-----------------------|-----------------------|----------------|
| Salaries and Wages | \$ 173,157,568 | \$ 191,482,744 | \$ 200,950,716 | 47.4% |
| Benefits | 75,424,966 | 88,242,612 | 96,059,660 | 22.6% |
| Work Study | 819,463 | 885,448 | 866,819 | 0.2% |
| Communications | 640,572 | 801,347 | 632,486 | 0.1% |
| Utilities | 6,713,342 | 8,562,623 | 10,814,270 | 2.5% |
| Travel | 1,463,458 | 2,087,719 | 1,995,261 | 0.5% |
| Capital Outlay Projects | 1,418,783 | 3,510,090 | 3,058,237 | 0.7% |
| Library Acquisitions | 2,305,986 | 2,266,516 | 2,300,047 | 0.5% |
| Financial Aid | 46,763,730 | 53,743,970 | 53,492,936 | 12.6% |
| Contractual Services | 4,161,733 | 7,246,740 | 4,775,456 | 1.1% |
| Information Technology | 9,831,258 | 10,268,485 | 10,586,946 | 2.5% |
| Services from Other Funds/Agencies | 32,379 | 47,058 | 60,234 | 0.0% |
| Equipment | 2,382,089 | 2,300,605 | 2,316,690 | 0.5% |
| Misc. Operating Expenses | 34,211,821 | 37,111,488 | 23,738,109 | 5.6% |
| Operating Transfers Out | 2,420,920 | 1,436,526 | 12,646,048 | 3.0% |
| University Total | \$ 361,748,066 | \$ 409,993,970 | \$ 424,293,913 | 100.0% |

FY 2015-16

Expenditures by Program

| Program | FY 2015-16 | Cost per FTES (AY) |
|------------------------------------|-----------------------|--------------------|
| Instruction | \$ 180,549,687 | |
| Research | 135,954 | |
| Public Service | 899,809 | |
| Academic Support | 33,319,117 | |
| Student Services | 39,278,304 | |
| Institutional Support | 60,850,520 | |
| Operation and Maintenance of Plant | 47,553,612 | |
| Other Non-Operating Expenses | 8,213,976 | |
| | | \$11,954 |
| Student Grants and Scholarships | 53,492,936 | \$1,725 |
| University Total | \$ 424,293,913 | \$13,679 |

Governor's Multi-Year Budget Plan

For CSU:

- \$125.1 million in FY 2013-14* (provided by the state)
- \$142.2 million in FY 2014-15* (provided by the state)
- \$119.5 million in FY 2015-16* (\$216.5 million provided by the state)
- \$139.4 million in FY 2016-17* (\$154.0 million provided by the state)
- \$157.2 million in FY 2017-18
- \$136.5 million in FY 2018-19
- \$142.0 million in FY 2019-20

* One condition of the plan is that there would be no tuition increases during this period.

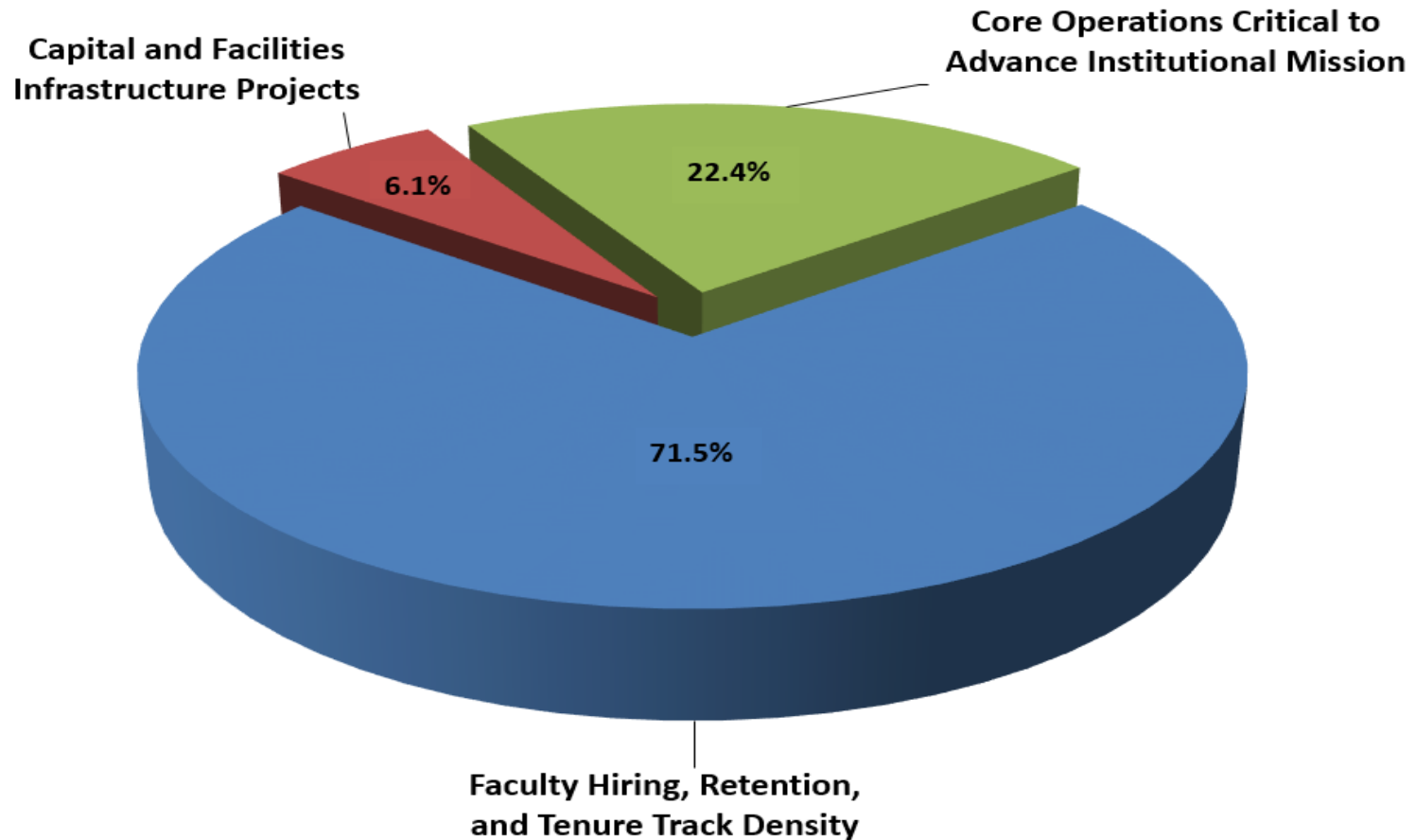
FY 2016-17 Campus Budget Summary

| | Baseline | One-Time | Total |
|---|----------------------|----------------------|----------------------|
| FY 2016-17 Baseline Increase | \$ 16,757,510 | | \$ 16,757,510 |
| FY 2016-17 Tuition & Fees/Student Mix (net) | | 13,173,779 | 13,173,779 |
| FY 2016-17 One-Time CO Allocation | | 5,316,000 | 5,316,000 |
| Total Sources | \$ 16,757,510 | \$ 18,489,779 | \$ 35,247,289 |

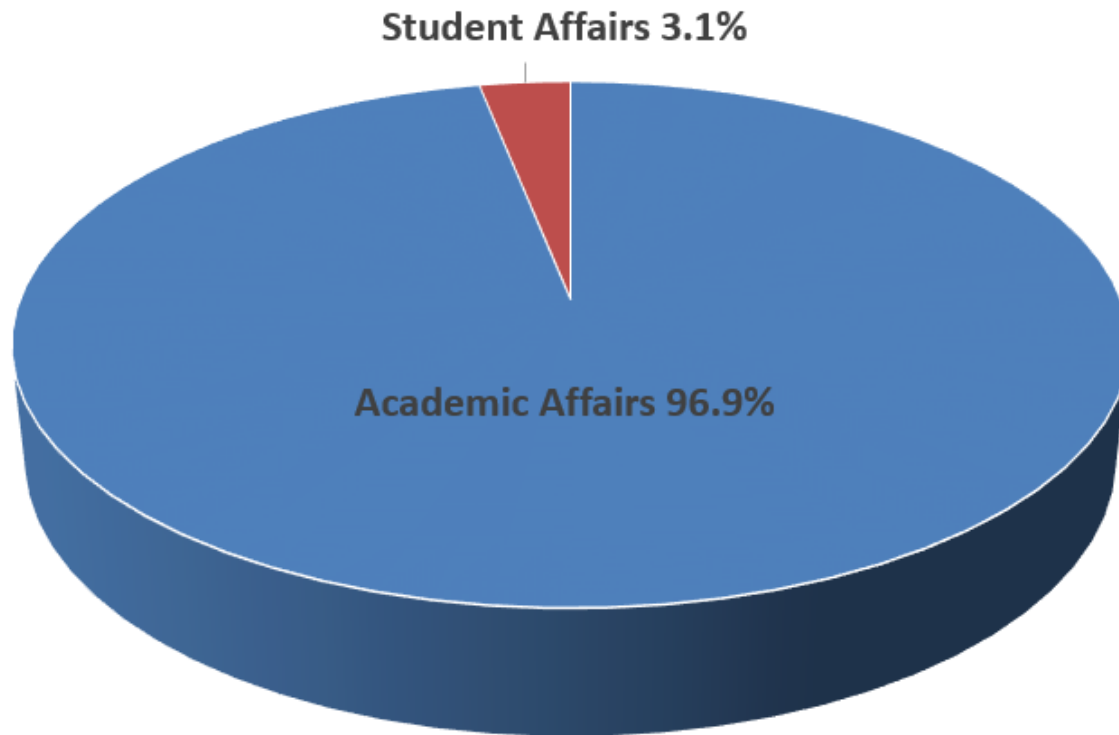
Summary of 2016-17 Budget Allocation

| Category | Baseline | One-Time | Total |
|---|----------------------|----------------------|----------------------|
| Compulsory Allocations | \$ 12,646,779 | \$ 2,861,052 | \$ 15,507,831 |
| Mission Critical and Compliance Initiatives | | 116,609 | 116,609 |
| Faculty Hiring, Retention, and Tenure Track Density | 2,940,731 | 7,369,467 | 10,310,198 |
| Capital and Facilities Infrastructure Projects | 250,000 | 3,811,748 | 4,061,748 |
| Instructional and Support Infrastructure | | 400,000 | 400,000 |
| Core Operations Critical to Advance Institutional Mission | 920,000 | 3,930,903 | 4,850,903 |
| University Total | \$ 16,757,510 | \$ 18,489,779 | \$ 35,247,289 |

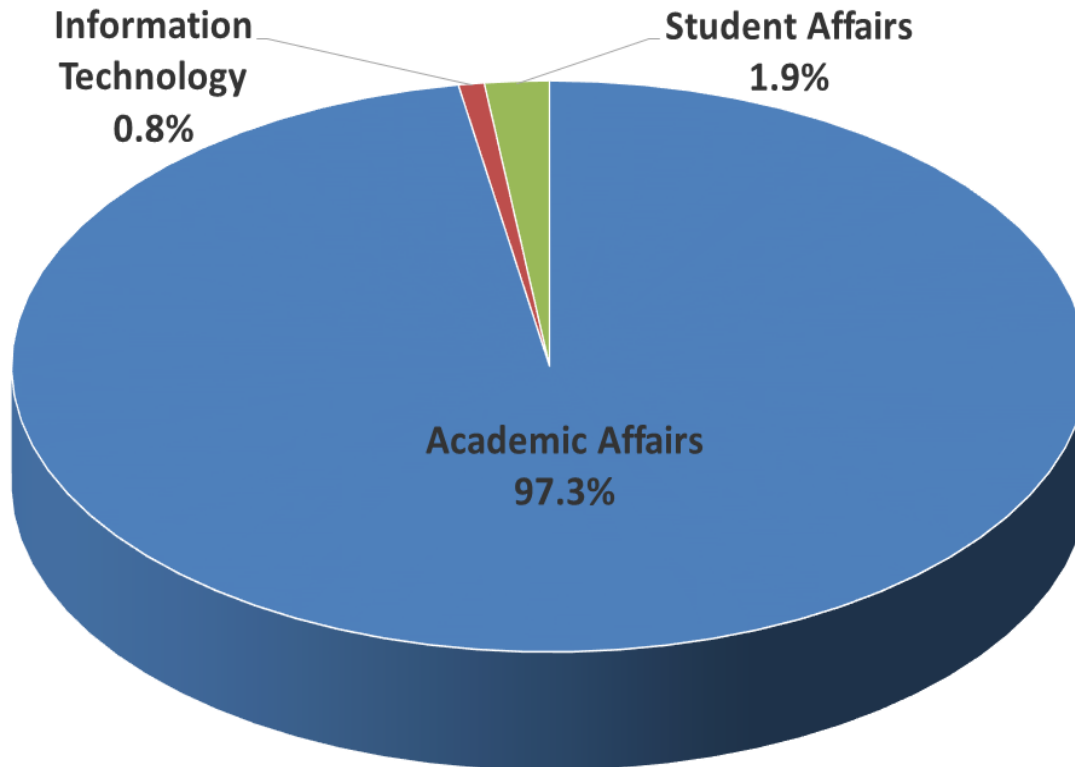
Allocation of New Baseline Funds by Category (After Mandatory Costs)



% Allocation of New Baseline Funds by Division (After Mandatory Costs)



% Allocation of New Funds by Division Baseline and One-Time (After Mandatory Costs)



FY 2016-17 Operating Fund Baseline Budget (By Program)

| Operating Fund Baseline Budget | 2016-17 | Pctg (%) |
|--------------------------------|-----------------------|---------------|
| State Allocation | \$ 171,458,661 | 44.3% |
| Tuition and Fee Revenues | 215,252,384 | 55.7% |
| Total | \$ 386,711,045 | 100.0% |

2016-17 Baseline Budget by Program

| | | |
|------------------------------------|-----------------------|---------------|
| Instruction | \$ 186,106,720 | 48.1% |
| Research | 139,781 | 0.0% |
| Public Service | 209,295 | 0.1% |
| Academic Support | 26,913,193 | 7.0% |
| Student Services | 25,409,786 | 6.6% |
| Institutional Support | 54,546,401 | 14.1% |
| Operation and Maintenance of Plant | 42,759,869 | 11.1% |
| Student Grants and Scholarships | 50,626,000 | 13.1% |
| Total | \$ 386,711,045 | 100.0% |

FY 2016-17 Operating Fund Baseline Budget (By Category)

| Operating Fund Baseline Budget | 2016-17 | Pctg (%) |
|--------------------------------|-----------------------|---------------|
| State Allocation | \$ 171,458,661 | 44.3% |
| Tuition and Fee Revenues | 215,252,384 | 55.7% |
| Total | \$ 386,711,045 | 100.0% |

2016-17 Baseline Budget by Category

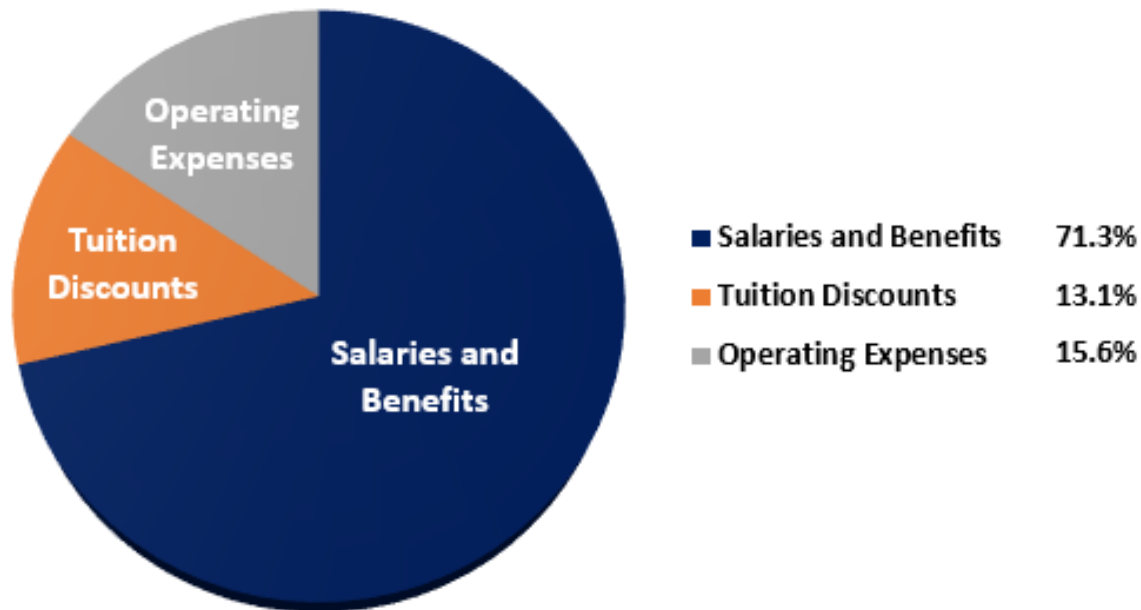
| | | |
|------------------------------------|-----------------------|---------------|
| Salaries and Wages | \$ 185,597,293 | 48.0% |
| Benefits | 89,157,052 | 23.1% |
| Work Study | 814,354 | 0.2% |
| Communications | 559,247 | 0.1% |
| Utilities | 10,159,734 | 2.6% |
| Travel | 1,830,853 | 0.5% |
| Capital Outlay Projects | 1,528,640 | 0.4% |
| Library Acquisitions | 1,221,361 | 0.3% |
| Financial Aid | 50,626,000 | 13.1% |
| Contractual Services | 4,417,014 | 1.1% |
| Information Technology | 7,861,570 | 2.0% |
| Services from Other Funds/Agencies | 56,254 | 0.0% |
| Equipment | 2,078,208 | 0.5% |
| Misc. Operating Expenses | 30,250,273 | 7.8% |
| Operating Transfers Out | 553,191 | 0.1% |
| Total | \$ 386,711,045 | 100.0% |

Fiscal Year Annual Budget

| | FY 2016-17 | FY 2015-16 |
|--------------------------------|-----------------------|-----------------------|
| CSU Operating | \$ 386,711,045 | \$ 369,953,535 |
| Lottery | 1,918,000 | 1,918,000 |
| Student Success (SSI) | 14,164,326 | 9,409,651 |
| Continuing Education (CERF) | 37,600,000 | 38,793,009 |
| Housing | 28,286,706 | 26,914,896 |
| Parking | 12,846,492 | 12,878,439 |
| ASC | 37,635,078 | 35,906,493 |
| CSUF Philanthropic Foundation | 542,000 | 565,000 |
| Associated Students | 8,727,242 | 8,876,397 |
| Student Union | 10,349,518 | 8,601,436 |
| Total University Budget | \$ 538,780,407 | \$ 513,816,856 |

FY 2016-17 State Operating Fund (Baseline)

Expenses (\$386.7M)



Critical Budget Matters Beyond FY 2016-17

- **Funding Shortfall for Compensation Increases**

Salary Increases Baseline Funding Gap: \$5,479,162

- **CSU Student Success and Graduation Rates**

\$35M will be allocated by the State to CSU

- **Deferred Maintenance**

\$330M based on ISES Report

- **Ongoing Structural Deficits**

- **Proposition 30 Sunsetting**

- The State Sales tax increases sunsets January 1, 2017
- Personal income tax increase sunsets January 1, 2019

Q & A