

# Fiscal State of the University

## Presentation to the Academic Senate

*Fram Virjee*  
*President*

*Danny C. Kim*  
*Vice President for Administration and Finance/Chief Financial Officer*

*November 1, 2018*



CALIFORNIA STATE UNIVERSITY  
**FULLERTON**<sup>™</sup>

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# Overview of FY 2017-18

- **Financial Results as Planned**
- **Continuing Escalation of Expenses**
- **Impact of GI 2025 on Headcount**
- **\$67M Carry-Forward Balances  
(Mostly Designated)**

# 2017-18 Stand Alone Year Core Operating Funds

| Division                 | Baseline Budget       | Fiscal Year Allocations | Expenditures          | Balance             |
|--------------------------|-----------------------|-------------------------|-----------------------|---------------------|
| Academic Affairs         | \$ 149,700,392        | \$ 250,218,238          | \$ 248,915,557        | \$ 1,302,681        |
| Administration & Finance | 22,764,322            | 39,112,429              | 39,576,331            | (463,902)           |
| HRDI                     | 4,745,938             | 7,486,654               | 7,529,880             | (43,226)            |
| Information Technology   | 14,551,266            | 25,425,250              | 27,005,562            | (1,580,312)         |
| President                | 1,781,428             | 2,420,893               | 2,579,952             | (159,058)           |
| Student Affairs          | 22,523,091            | 47,874,349              | 43,853,290            | 4,021,059           |
| University Advancement   | 8,113,825             | 14,011,583              | 13,322,785            | 688,798             |
| University Wide          | 192,690,669           | 93,789,305              | 93,286,651            | 502,654             |
| <b>University Total</b>  | <b>\$ 416,870,933</b> | <b>\$ 480,338,700</b>   | <b>\$ 476,070,007</b> | <b>\$ 4,268,693</b> |

# FY 2017-18 Carry Forward (as of July 1, 2018)

| Carry-Forward                                     | Amount               |
|---|----------------------|
| Operating Reserves                                | \$ 17,530,000        |
| Compensation & Benefits                           | 5,592,787            |
| Capital Projects                                  | 1,118,015            |
| Maintenance & Repair                              | 2,697,941            |
| Utilities (including debt service)                | 3,170,578            |
| Designated University-wide Expenses & Commitments | 13,861,986           |
| <b>University-wide Total</b>                      | <b>\$ 43,971,307</b> |
| Divisions   | 23,618,886           |
| <b>University Total</b>                           | <b>\$ 67,590,194</b> |

CSU Guidelines for Reserves - \$200M

# Operating Fund Expenditures

## Fiscal Budget (Excluding Auxiliaries and Post Awards)

| Expenditure Category          | 2015-16               | 2016-17               | 2017-18               | % of Total<br>(2017-18) |
|-------------------------------|-----------------------|-----------------------|-----------------------|-------------------------|
| Salaries and Wages            | 200,950,716           | 211,402,244           | 224,953,503           | 47%                     |
| Benefits                      | 96,059,660            | 104,115,399           | 113,098,846           | 24%                     |
| Financial Aid                 | 53,492,936            | 54,266,863            | 57,992,327            | 12%                     |
| Work Study                    | 866,819               | 1,058,695             | 1,160,417             | < 1%                    |
| Communications                | 632,486               | 768,049               | 953,267               | < 1%                    |
| Utilities                     | 10,814,270            | 1,998,787             | 6,722,610             | 1%                      |
| Travel                        | 1,995,261             | 1,703,449             | 1,540,525             | < 1%                    |
| Capital Outlay Projects       | 3,058,237             | 13,721                | -                     | < 1%                    |
| Library Acquisitions          | 2,300,047             | 2,076,334             | 2,167,316             | < 1%                    |
| Contractual Services          | 4,775,456             | 2,453,285             | 2,863,765             | < 1%                    |
| Information Technology        | 10,586,946            | 12,334,068            | 11,308,171            | 2%                      |
| Equipment                     | 2,316,690             | 1,541,056             | 1,154,856             | < 1%                    |
| Misc/Other Operating Expenses | 36,444,390            | 71,070,284            | 52,154,403            | 11%                     |
| <b>University Total</b>       | <b>\$ 424,293,913</b> | <b>\$ 464,802,233</b> | <b>\$ 476,070,007</b> | <b>100%</b>             |

# Expenditure by Program / Cost per FTES

## FY 2016-17 and FY 2017-18

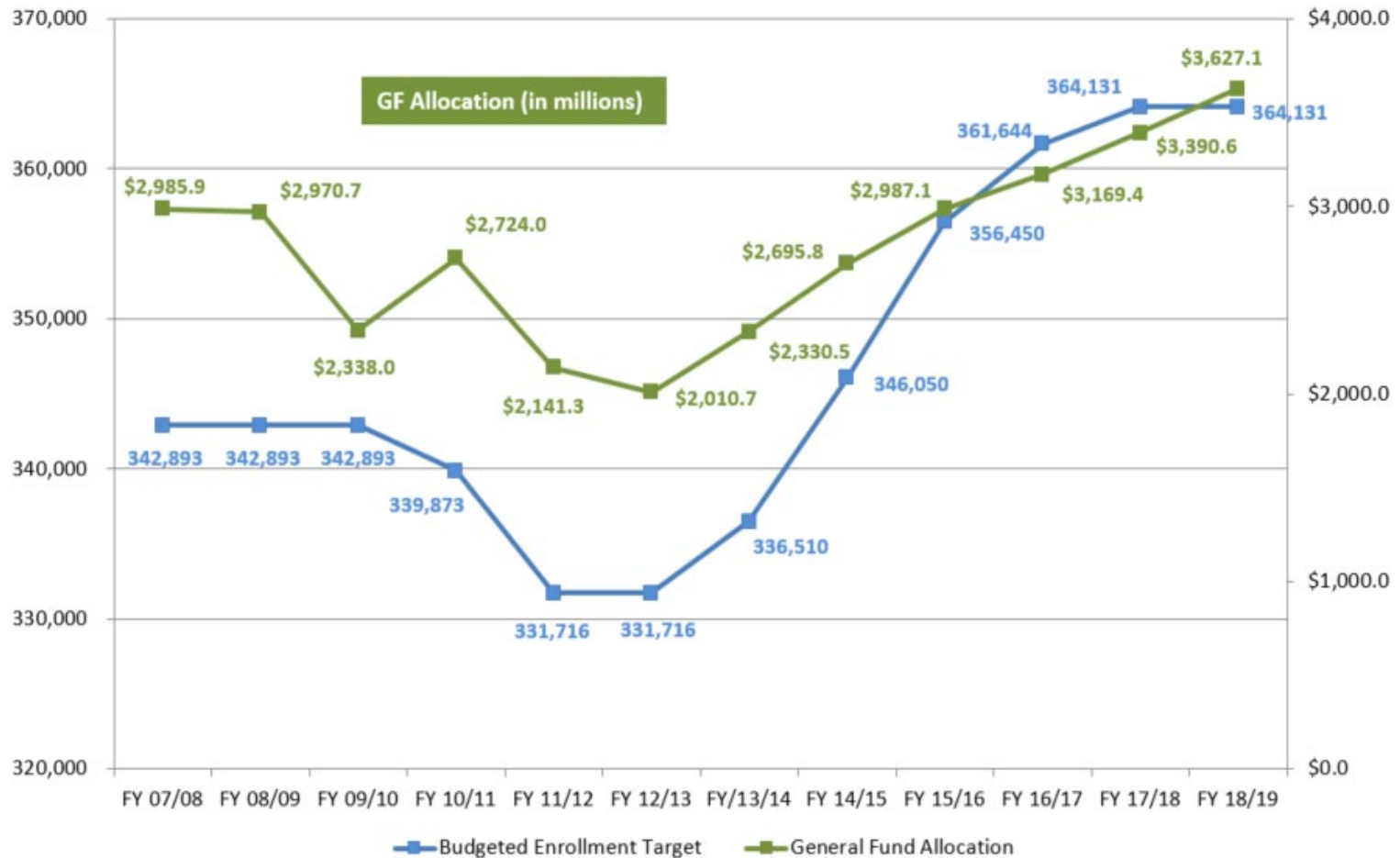
| Program                          | FY 2016-17            |                  | FY 2017-18            |                  |
|----------------------------------|-----------------------|------------------|-----------------------|------------------|
|                                  | Amount                | Cost per FTES    | Amount                | Cost per FTES    |
| Instruction                      | \$ 190,713,687        |                  | \$ 205,772,073        |                  |
| Public Service                   | 906,996               |                  | 647,337               |                  |
| Academic Support                 | 32,471,439            |                  | 34,995,026            |                  |
| Student Services                 | 40,604,306            |                  | 43,808,258            |                  |
| Institutional Support            | 67,992,232            |                  | 71,101,633            |                  |
| Operation & Maintenance of Plant | 37,403,254            |                  | 42,113,702            |                  |
| Other/Non-Operating Expenses     | 40,443,456            |                  | 19,639,651            |                  |
|                                  |                       | 12,766           |                       | 12,767           |
| Student Grants & Scholarships    | 54,266,863            | 1,688            | 57,992,327            | 1,771            |
| <b>Total - Operating Fund</b>    | <b>\$ 464,802,233</b> | <b>\$ 14,454</b> | <b>\$ 476,070,007</b> | <b>\$ 14,538</b> |

FTES      32,157.6

FTES      32,747.4

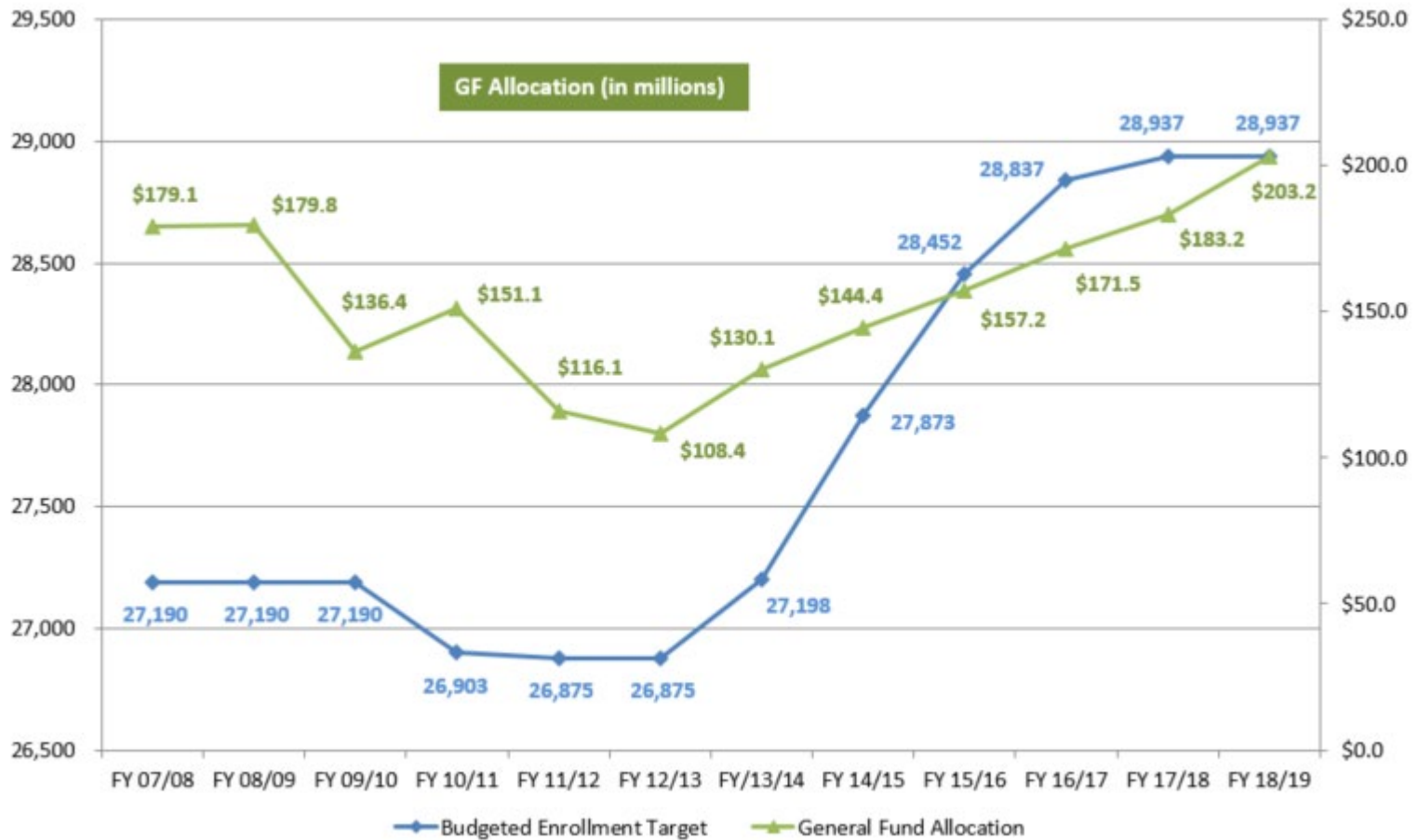
**FY 2018-19**

# CSU General Fund and Resident Student Enrollment FY 2007 - 2018





# Fullerton General Fund and Resident Student Enrollment FY 2007 - 2018



# FY 2018-19 Campus Budget Summary

| New Funds (in millions)                       | Baseline       | One-Time       | Total           |
|---|----------------|----------------|-----------------|
| Baseline Increase                             | \$ 20.1        | \$ -           | \$ 20.1         |
| Tuition & Fees/Student Mix (net)              | -              | 14.4           | 14.4            |
| One-Time CO Allocation                        | -              | 1.7            | 1.7             |
| <b>Total New Funds</b>                        | <b>\$ 20.1</b> | <b>\$ 16.1</b> | <b>\$ 36.2</b>  |
| Allocations                                   | 20.1           | 17.3           | 37.3            |
| <b>Shortfall (To be Funded from Reserves)</b> |                |                | <b>\$ (1.1)</b> |

Allocation Categories:

- Mandatory Cost Increases
- Enrollment (one- time)
- GI 2025

# FY 18-19 CO Allocation - Enrollment

## 1/3 of 2 Year Average Unit Load (AUL) Increase

- Highest 309 FTES (San Jose - \$2.5M)
- Fullerton 162 FTES (#6 - \$1.3M)
- Lowest 0 FTES Channel Islands, Bakersfield, Monterey Bay, Chico, LA, Maritime, SLO - \$0)

| Peer Group    | Total Allocation |
|---------------|------------------|
| Long Beach    | \$2.5M           |
| San Jose      | \$2.5M           |
| Northridge    | \$2.4M           |
| Fullerton     | \$1.3M           |
| San Francisco | \$1.2M           |
| San Diego     | \$1.2M           |

## Redirects

- San Francisco, Channel Islands, Stanislaus, Bakersfield, Sonoma, Humboldt (44 FTES -6 FTES or \$360K - \$49K)
- Fullerton 0 FTES

| Redirect/ Small - Growing | 1/3 AUL Generated FTES |
|---------------------------|------------------------|
| Bakersfield               | 0                      |
| Channel Islands           | 0                      |
| Dominguez Hills           | 77                     |
| Humboldt                  | 35                     |
| Maritime                  | 0                      |
| Monterey Bay              | 0                      |
| San Marcos                | 26                     |
| Sonoma                    | 40                     |
| Stanislaus                | 20                     |
| San Francisco             | 133                    |

## Small/Growing Enrollment

- Dominguez Hills, Channel Islands, Stanislaus, San Marcos, Bakersfield, Monterey Bay (50 FTES each or \$410K)

# FY 18-19 CO Allocation - GI 2025

## Base Increase – all campuses

- \$960,000

## Pro-rata Share of Pell Eligible Students

- Highest (Northridge - \$2.46M)
- Fullerton (#2 – \$2.12M)
- Lowest (Maritime - \$42K)

## Additional Support for Tenure Faculty

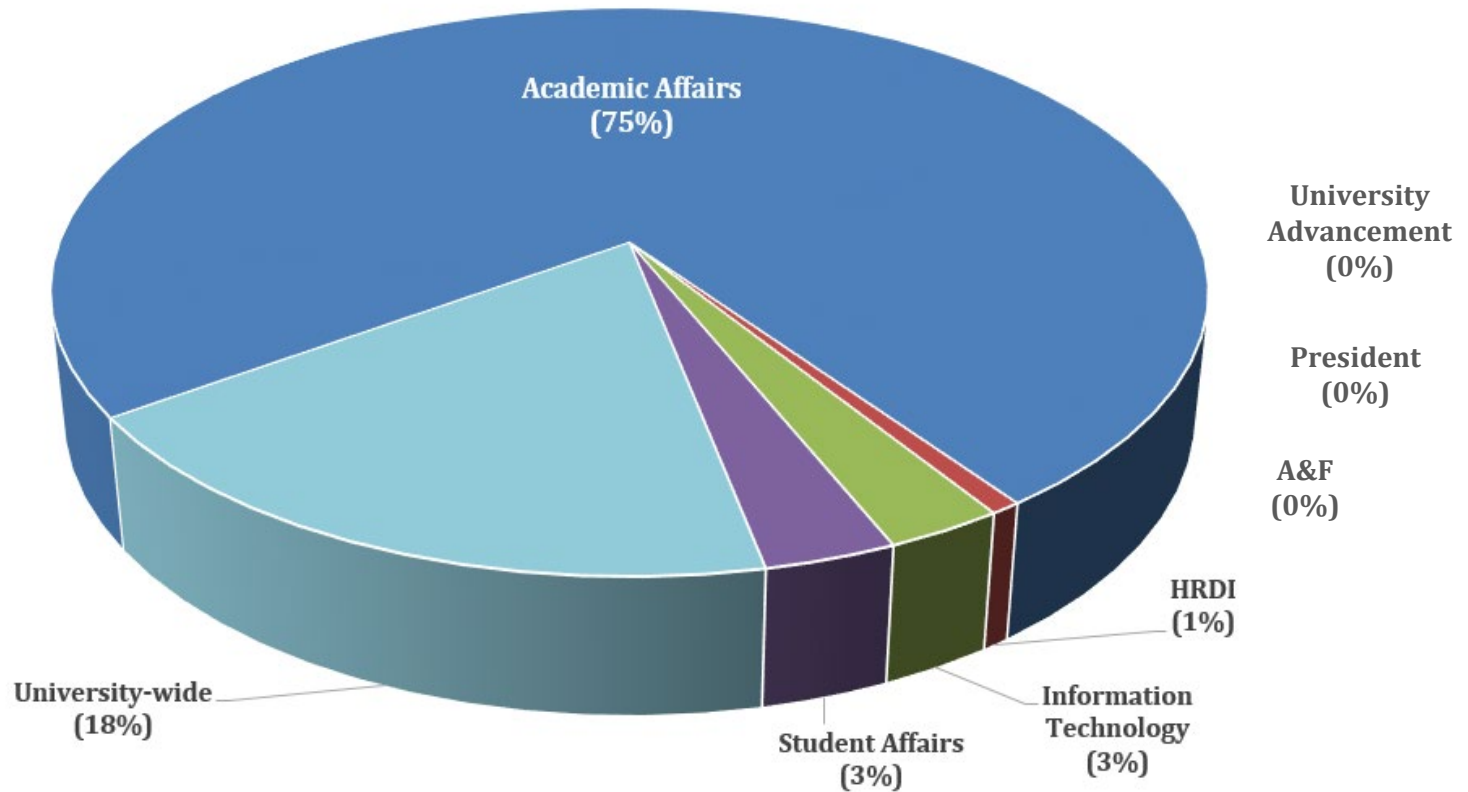
- High Tier (\$1.52M)
- Fullerton (Mid Tier – \$1.243M)
- Low Tier (\$960K)

## Total

- Highest (Northridge - \$4.6M)
- Fullerton (#3 - \$4.3M)
- Lowest (Maritime - \$1.7M)

# FY 2018-19

## New Funds Baseline and One-Time: \$21,587,912 (by Division after Compulsory Allocations)



# FY 2018-19 Operating Fund Baseline Budget (By Category)

| <b>SOURCES</b>                | <b>Amount</b>                | <b>Pctg (%)</b>    |
|-------------------------------|------------------------------|--------------------|
| State Allocation              | 203,247,561                  | 47%                |
| Tuition and Fee Revenues      | 233,593,272                  | 53%                |
| <b>Total</b>                  | <b><u>\$ 436,840,833</u></b> | <b><u>100%</u></b> |
| <br>                          |                              |                    |
| <b>USES (by Category)</b>     |                              |                    |
| Salaries and Wages            | 209,142,620                  | 48%                |
| Benefits                      | 105,631,486                  | 24%                |
| Financial Aid                 | 54,928,500                   | 13%                |
| Work Study                    | 1,102,150                    | < 1%               |
| Communications                | 638,522                      | < 1%               |
| Utilities                     | 6,393,487                    | 1%                 |
| Travel                        | 1,408,624                    | < 1%               |
| Library Acquisitions          | 1,794,323                    | < 1%               |
| Contractual Services          | 2,707,390                    | < 1%               |
| Information Technology        | 7,616,154                    | 2%                 |
| Equipment                     | 1,085,290                    | < 1%               |
| Misc/Other Operating Expenses | 44,392,287                   | 10%                |
| <b>Total</b>                  | <b><u>\$ 436,840,833</u></b> | <b><u>100%</u></b> |

# Fiscal Year Annual Budget

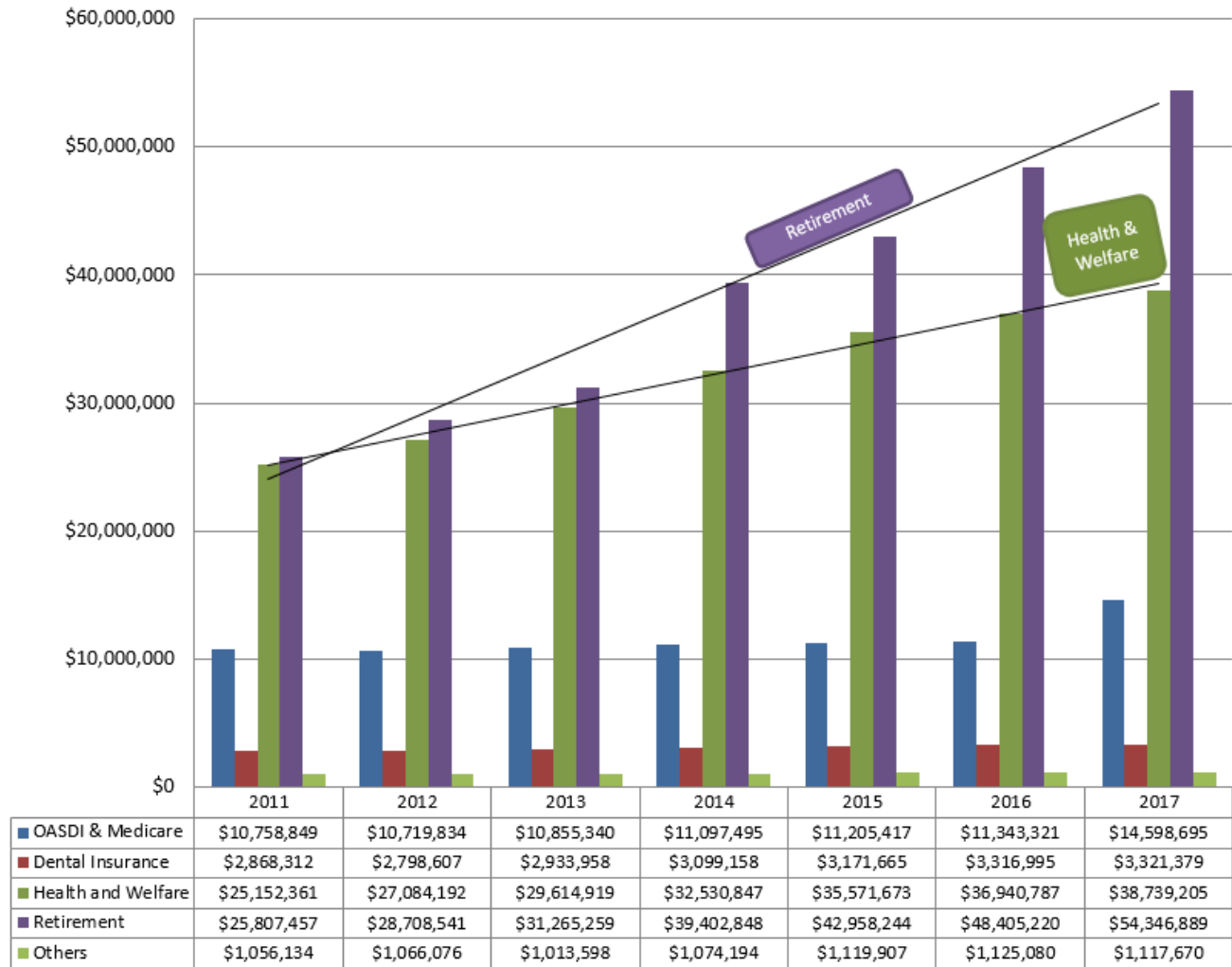
| Fund                          | FY 2018-19            | FY 2017-18            |
|-------------------------------|-----------------------|-----------------------|
| CSU Operating                 | \$ 436,840,833        | \$ 416,870,933        |
| Lottery                       | 2,563,000             | 2,563,000             |
| Student Success (SSI)         | 15,560,193            | 15,011,250            |
| Continuing Education (CERF)   | 30,577,861            | 33,962,778            |
| Housing                       | 28,726,336            | 28,195,608            |
| Parking                       | 13,140,557            | 12,945,075            |
| ASC                           | 40,121,863            | 38,528,228            |
| CSUF Philanthropic Foundation | 840,000               | 484,000               |
| Associated Students           | 9,712,715             | 9,887,542             |
| Student Union                 | 11,754,473            | 11,353,991            |
| <b>Total Budget</b>           | <b>\$ 589,837,831</b> | <b>\$ 569,802,405</b> |

# Critical Budget Matters Beyond FY 2018-19

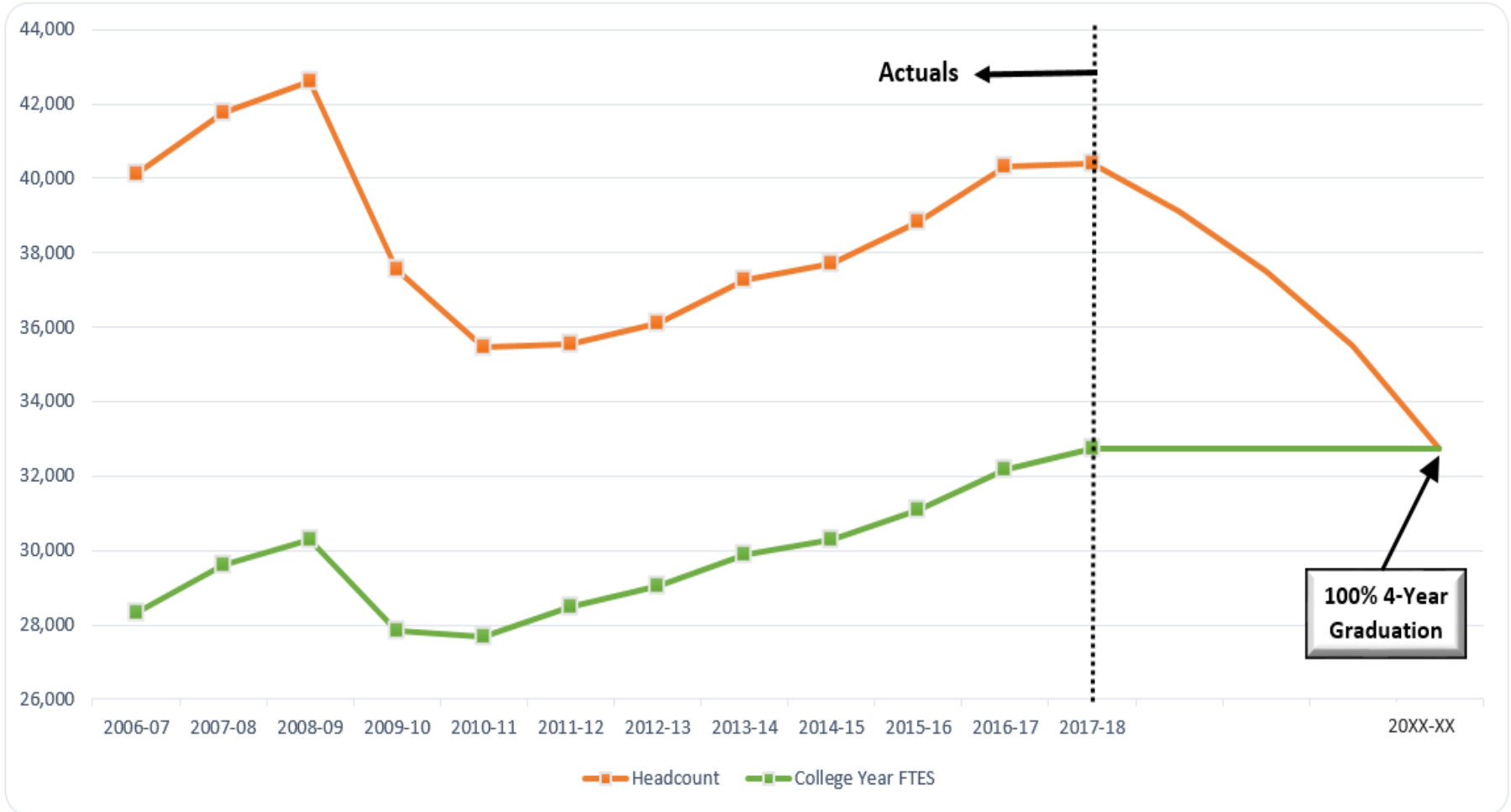
- Continuing Increase of Benefits Costs
- Capital and Deferred Maintenance
- GI 2025 impact on headcount/revenue



# Continuing Escalation of Expenses (Benefits Cost FY 2011 – 2017)



# Headcount and FTES FY 2006 – 2017



# Governor's Budget, CSU Request, Tuition Increase and Final Budget Allocation

(in millions)

| Fiscal Year | Governor's Budget | CSU Request                                | Final State Budget | Tuition Increase | Unfunded |
|-------------|-------------------|--|--------------------|------------------|----------|
| 2013-14     | \$125.1           | \$371.9                                    | \$125.1            |                  | \$246.8  |
| 2014-15     | 142.2             | 237.6                                      | 142.2              |                  | 95.4     |
| 2015-16     | 119.5             | 216.6                                      | 216.5              |                  | 0.1      |
| 2016-17     | 139.4             | 241.7                                      | 154.0              |                  | 87.7     |
| 2017-18     | 157.2             | 324.9                                      | 177.2              | 79.1             | 68.6     |
| 2018-19     | 92.1              | 263.0                                      | 197.2              |                  | 65.8     |
| 2019-20     | TBD               | \$554.1*<br>(Expenditure Increase Request) | TBD                | TBD              | TBD      |

\*Does not include tuition revenue offset

# Funding Rate Ranking (GF Only)

| Rank | Campus          | 2018-19 |            |        | Cumulative* |
|------|-----------------|---------|------------|--------|-------------|
|      |                 | Enroll  | GF (000's) | \$/FTE |             |
| 1    | Maritime        | 1,418   | 34,826     | 24,560 | 147,401,478 |
| 2    | Channel Islands | 5,789   | 83,023     | 14,341 | 88,245,548  |
| 3    | Monterey Bay    | 5,836   | 80,161     | 13,736 | 84,710,172  |
| 4    | Humboldt        | 7,603   | 85,517     | 11,248 | 65,795,067  |
| 5    | Bakersfield     | 7,777   | 77,600     | 9,978  | 55,920,444  |
| 6    | San Marcos      | 9,281   | 90,247     | 9,724  | 53,560,420  |
| 7    | Stanislaus      | 7,631   | 74,133     | 9,715  | 53,491,014  |
| 8    | Los Angeles     | 18,005  | 166,136    | 9,227  | 44,712,975  |
| 9    | Sonoma          | 8,244   | 74,351     | 9,019  | 42,994,812  |
| 10   | Dominguez Hills | 10,825  | 94,337     | 8,715  | 39,703,422  |
| 11   | San Luis Obispo | 17,020  | 146,284    | 8,595  | 37,662,843  |
| 12   | Fresno          | 19,265  | 164,229    | 8,525  | 36,312,919  |
| 13   | Pomona          | 18,714  | 156,865    | 8,382  | 33,645,770  |
| 14   | East Bay        | 12,332  | 103,074    | 8,358  | 33,349,611  |
| 15   | Chico           | 15,250  | 126,691    | 8,308  | 32,577,698  |
| 16   | San Bernardino  | 15,400  | 123,616    | 8,027  | 28,256,334  |
| 17   | Northridge      | 27,139  | 217,327    | 8,008  | 27,739,239  |
| 18   | Long Beach      | 28,963  | 218,734    | 7,552  | 14,539,595  |
| 19   | San Jose        | 22,747  | 171,725    | 7,549  | 14,474,610  |
| 20   | San Diego       | 27,404  | 206,789    | 7,546  | 14,381,238  |
| 21   | San Francisco   | 24,099  | 180,497    | 7,490  | 13,028,415  |
| 22   | Sacramento      | 23,077  | 171,045    | 7,412  | 11,231,368  |
| 23   | Fullerton       | 28,937  | 203,248    | 7,024  |             |

# GF + Tuition net of Financial Aid

| 2018-19 |                 |         |
|---------|-----------------|---------|
| RNK     | Campus          | \$/FTES |
| 1       | Maritime        | 28,401  |
| 2       | Channel Islands | 18,919  |
| 3       | Monterey Bay    | 18,016  |
| 4       | Humboldt        | 15,794  |
| 5       | San Marcos      | 14,925  |
| 6       | San Luis Obispo | 14,657  |
| 7       | Bakersfield     | 14,263  |
| 8       | Stanislaus      | 13,931  |
| 9       | Sonoma          | 13,645  |
| 10      | East Bay        | 13,472  |
| 11      | Los Angeles     | 13,223  |
| 12      | San Jose        | 13,214  |
| 13      | Pomona          | 13,135  |
| 14      | Northridge      | 13,052  |
| 15      | Fresno          | 12,962  |
| 16      | Dominguez Hills | 12,855  |
| 17      | Chico           | 12,834  |
| 18      | Long Beach      | 12,676  |
| 19      | San Diego       | 12,515  |
| 20      | San Francisco   | 12,481  |
| 21      | San Bernardino  | 12,409  |
| 22      | Sacramento      | 12,372  |
| 23      | Fullerton       | 12,210  |

# Q & A