

# **CSUF Budget 101**

## **Presentation to the Planning, Resource & Budget Committee**

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*AVP, Resource Planning, Analysis & Budget*

*Administration & Finance*

*November 1, 2019*



CALIFORNIA STATE UNIVERSITY  
**FULLERTON™**

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# Topics

- CSU Annual Budget Cycles & Timelines
- Allocation of Funds from State to CSU and Campuses
- CSU Budget Funding Methodology
- University Funding Sources
- Campus Budget Allocation Process
- Important Budget Terms & Definitions

# State of California Budget Timelines

- CSU is a State Agency – Agency 6610

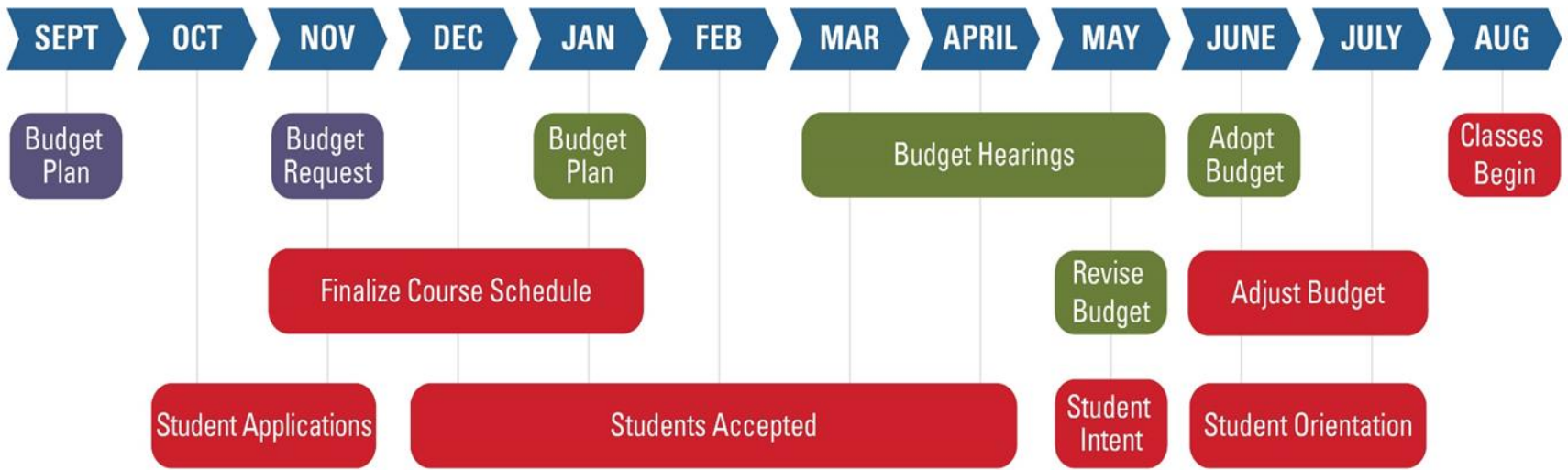
- State of California Budget Calendar

- |                       |          |
|-----------------------|----------|
| • Agency Requests     | November |
| • Governor’s Budget   | January  |
| • Legislative Analyst | February |
| • May Revise          | May      |
| • Final Budget        | July     |

- Trustees Support Budget Request

<https://www2.calstate.edu/csu-system/about-the-csu/budget/2017-18-support-budget/Pages/default.aspx/>

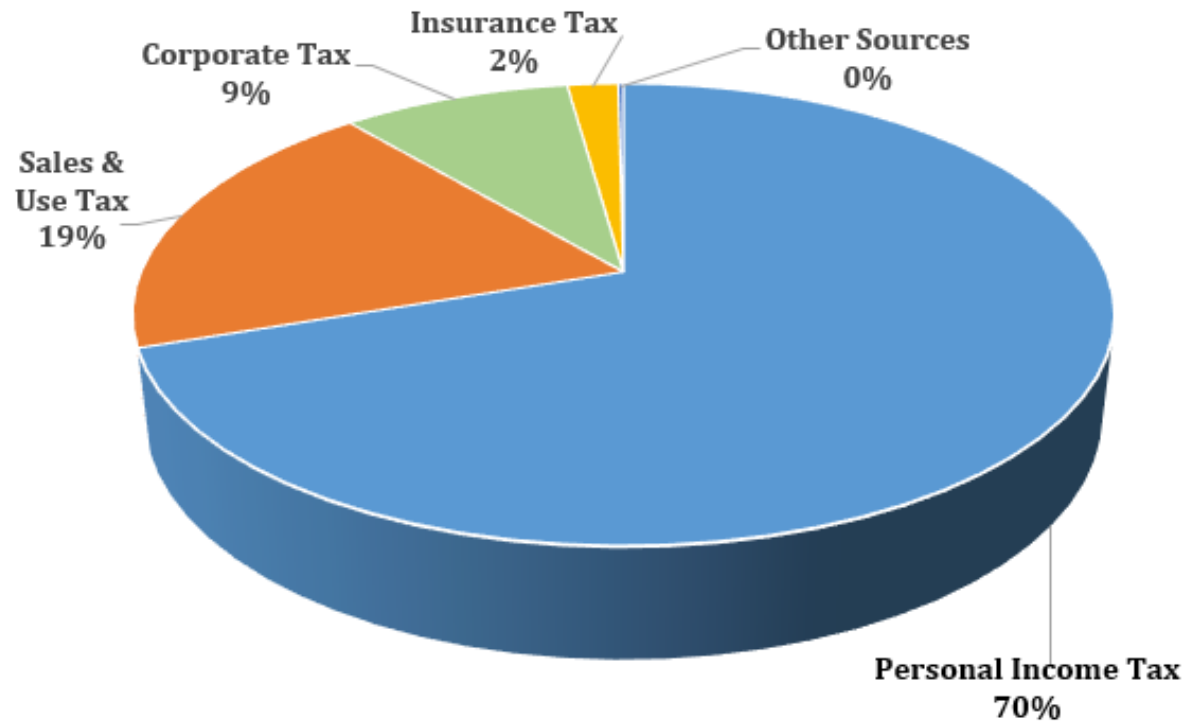
# BUDGET TIMELINE



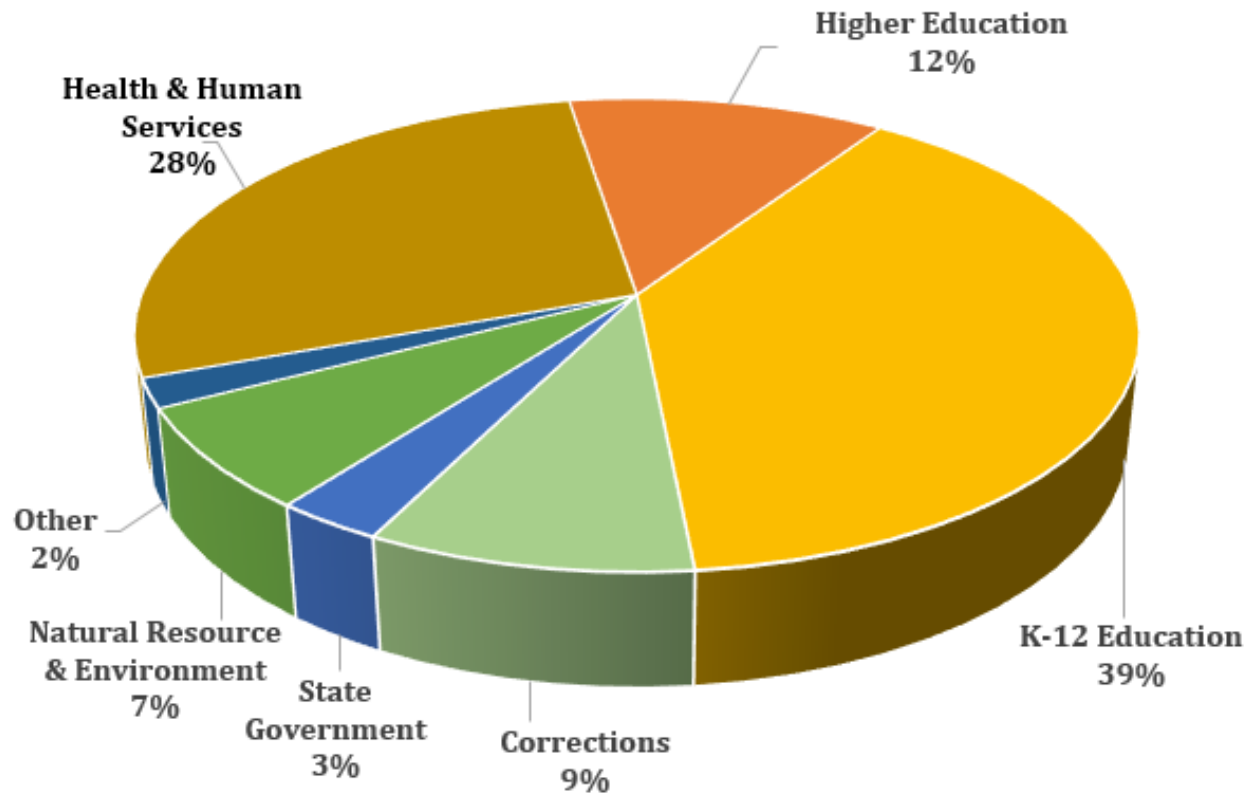
■	STATE
■	TRUSTEES
■	CHANCELLOR/SYSTEM/CAMPUSES

# California State Budget

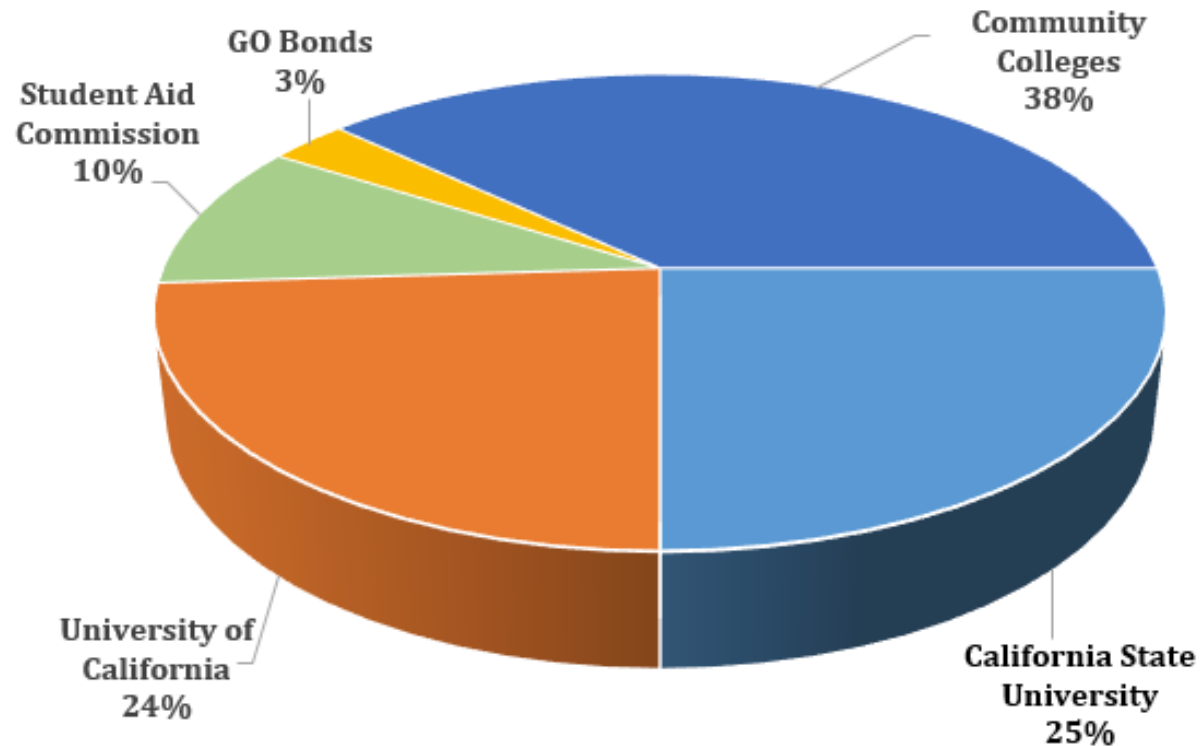
# Sources of State General Fund Revenue



# State General Fund Expenditure Budget



# Higher Education General Fund Budget





# Historical CSU Funding

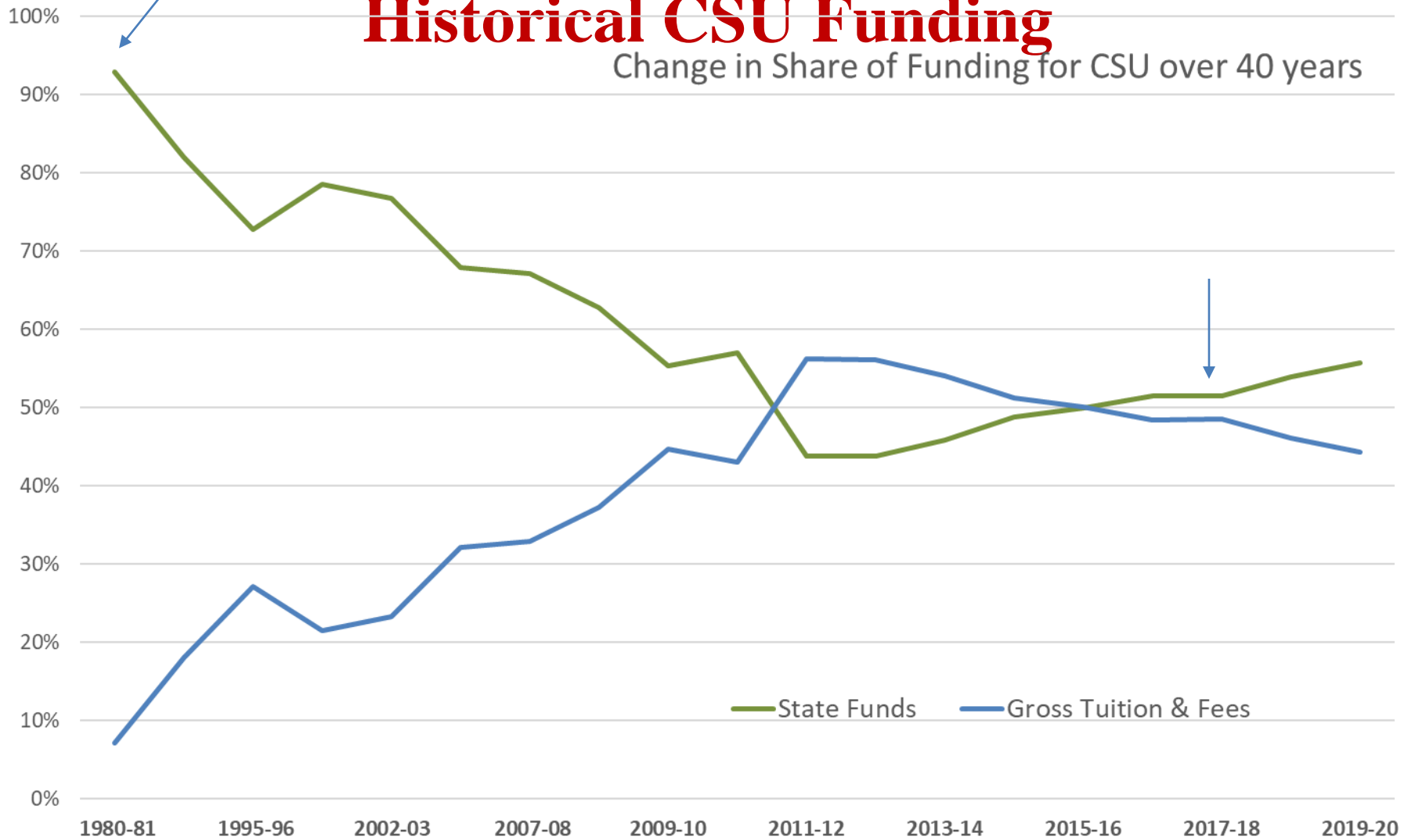
# State of California Allocations to CSU

(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	\$300.0	\$456.0	\$332.9		\$123.1
2020-21	TBD Jan. 2019	TBD Nov. 2019	TBD	TBD	TBD

# Historical CSU Funding

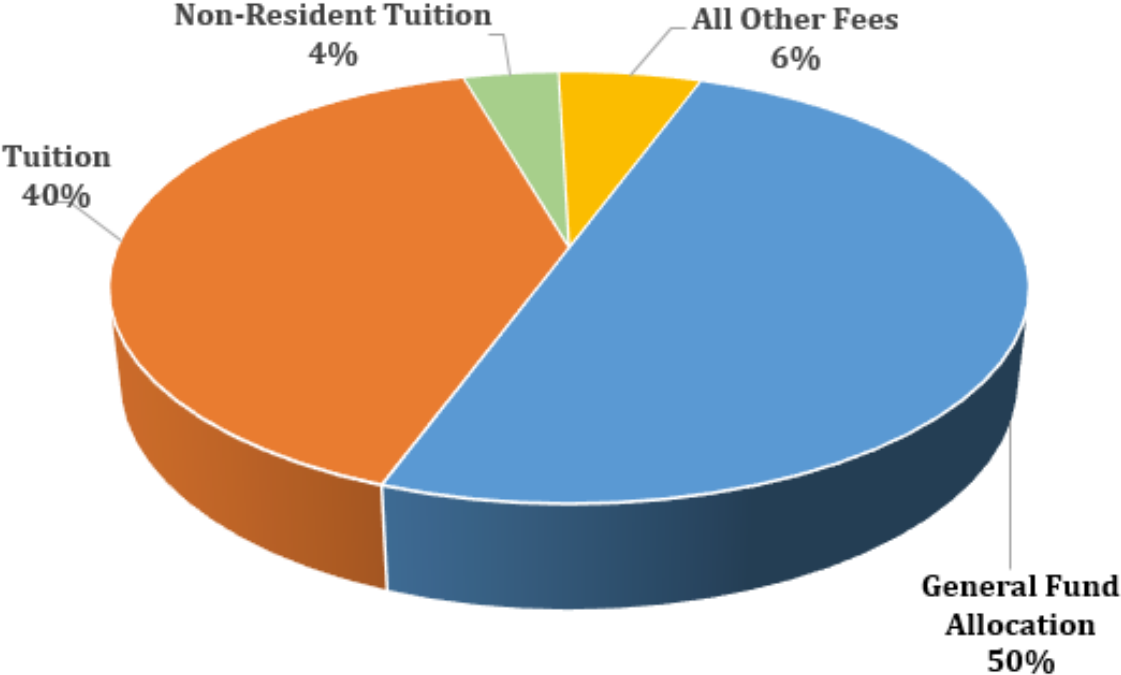
Change in Share of Funding for CSU over 40 years



**Tuition & Fees - More Than Half of General Operating Fund**

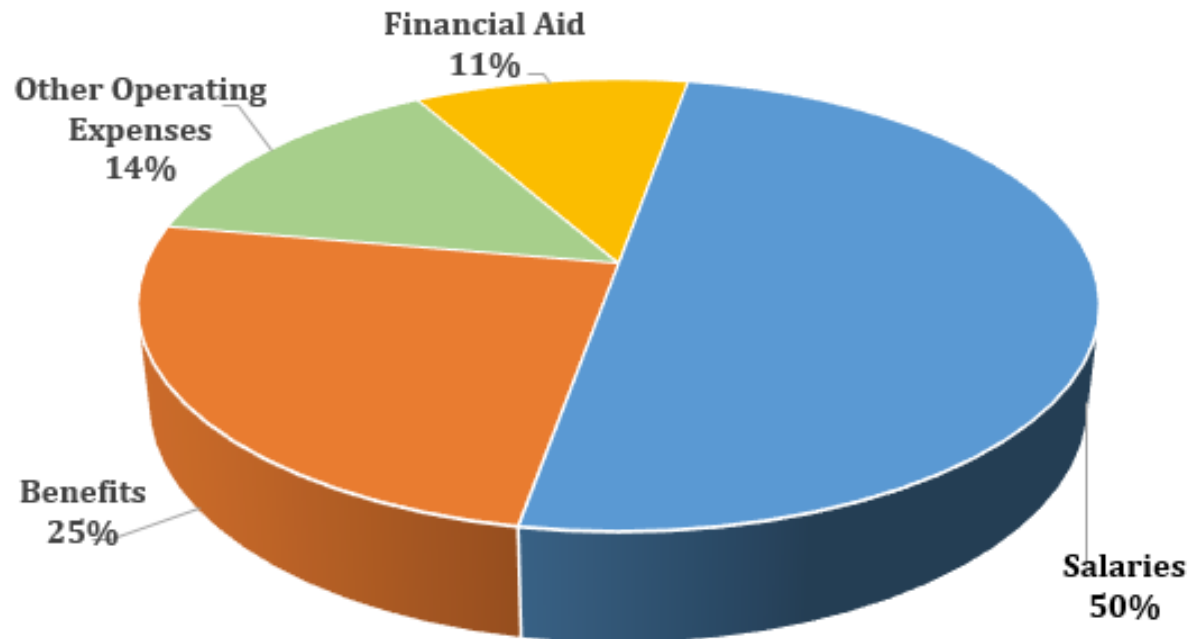
# CSU Operating Budget

# CSU General Operating Fund Sources of Revenue



**Tuition & Fees - Half of General Operating Fund**

# General Operating Fund Expenses by Category



# Fee Revenue

## Categories of Fees

### Category I – System-wide

- System-wide mandatory fees (Tuition, Non Resident Tuition, Doctoral Program Tuition, Tuition, Graduate Business Professional Fee & Application Fee)

### Category II – Campus Based

- Campus mandatory fees that must be paid to enroll in or attend the university

### Category III – Course Fees

- Course specific fees in support of state offered classes

### Category IV – Fees for Service

- Fees paid to receive materials, services, or for the use of facilities provided by the University; and fees or deposits to reimburse the university for additional costs resulting from dishonored payments, late submissions, or misuse of property or as a security or guaranty

### Category V – Self Support Admin Fees & Fines

- Fees paid to self-support programs such as Extended Education, Parking, and Housing including materials and services fees, user fees, fines and deposits

### Category VI

- System-wide voluntary fees such as Student Involvement & Representation Fee (SIRF)

# Campus Allocations – CSU Level

- ◆ Baseline
  - Incremental Increase to Prior Year Base
  - Other Special Allocations (if allocated in state budget)
- ◆ One-Time
  - Special Allocations



# Campus Allocations – Components

- ◆ Components/Variables
  - New Mandatory Costs (Health, Dental, Retirement, Compensation Increases)
  - Enrollment Growth
  - State University Grant/Pell Eligibility
  - CSU Priorities (Student Success/GI 2025)
  - Operation & Maintenances of New Facilities/Space
  - Other Special Allocations (if allocated in state budget)
- ◆ Historically Enrollment Based Funding
- ◆ State is Moving Toward Performance Based Funding (Improving Graduation Rate)

# Compensation & Benefits– CSU Level

- ◆ Components/Variables for allocation
  - Health
  - Dental
  - Retirement
  - Compensation
  - Minimum Wage Increase

# Enrollment Growth – CSU Level

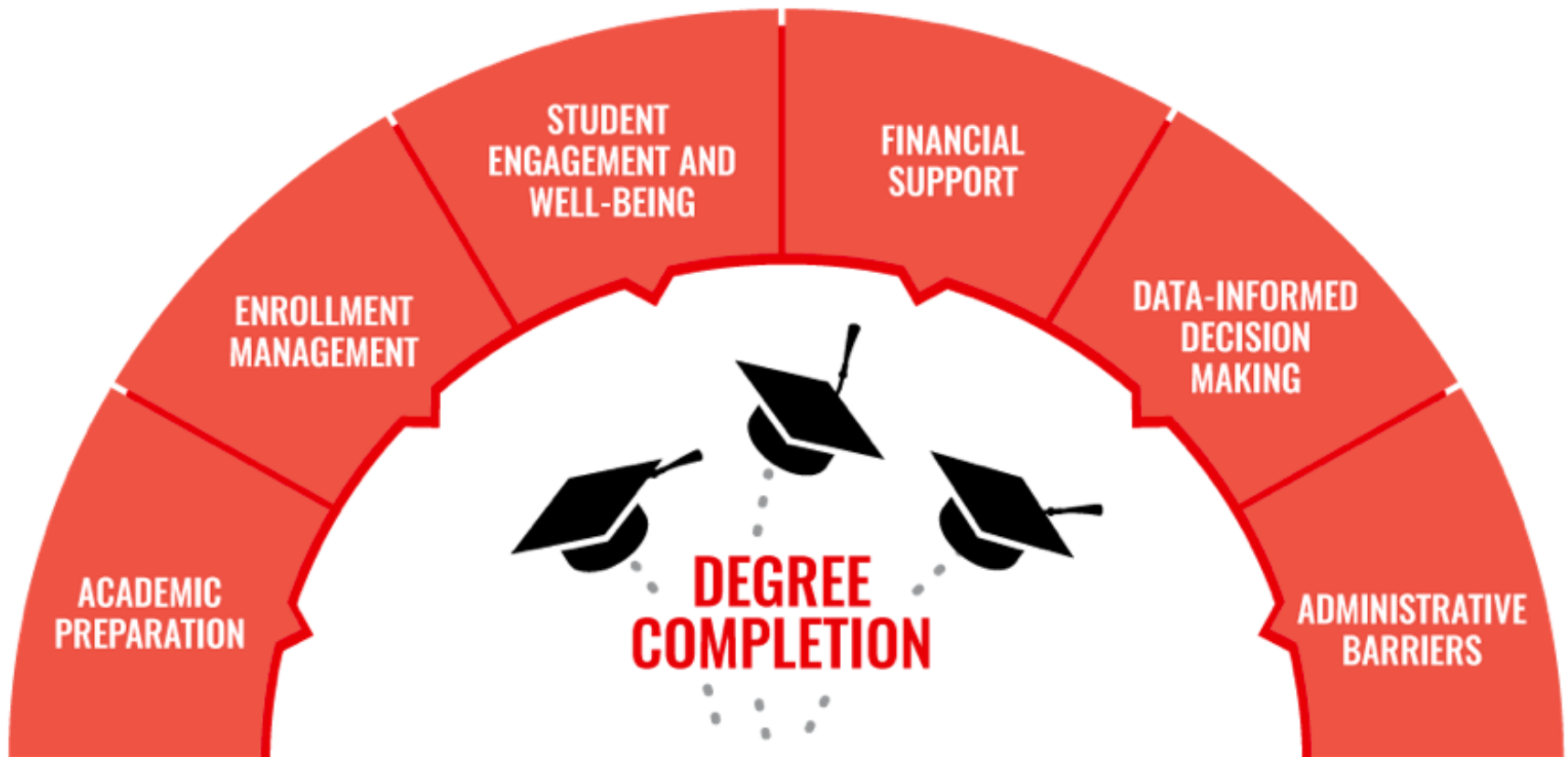
- ◆ Components/Variables for Funding Decisions
  - CSU enrollment target is determined by total new General Fund
  - Campus enrollment targets are set after a conversation between the Chancellor and Presidents
  - Local Demand
  - Campus Impaction Decisions
  - Balancing on-going new enrollment demands with increases in Average Unit Load
  - Overall Capacity

# Financial Aid/State University Grant – CSU Level

- State University Grant
- Governed by CSU (approx. 30% of Tuition)
- Incrementally Increased from Tuition
- Adjusted Annually
- Based on % of SUG Eligible Population by Campus and Actual Need

# Graduation Initiative Funding

## 6 Pillars of GI 2025



# Operation & Maintenance of New Facilities

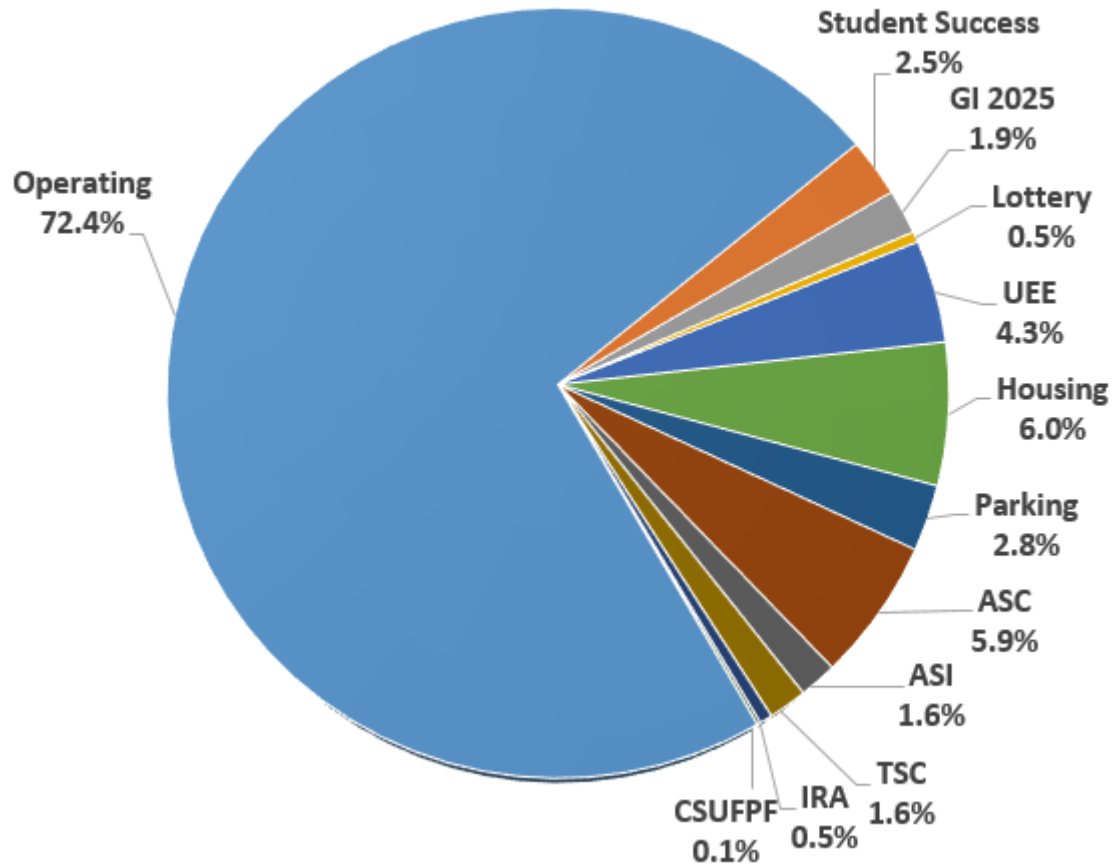
\$11.75/sq ft funding for Regular Maintenance of New Facilities

- Utilities
  - Building Maintenance
  - Custodial
  - Landscape
  - Administrative
- **Cost Standard should be more appropriately budgeted at \$17.64**
- **The unfunded need have contributed to the growth in the deferred maintenance backlog to \$3.7 billion.**

# CSUF Funding Sources/Uses, Timelines & Allocation Process

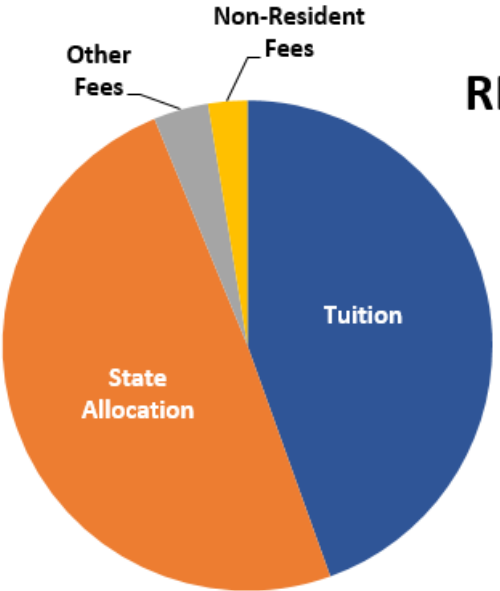
# Fiscal Year 2019-20 Campus Budget

\$623.8M



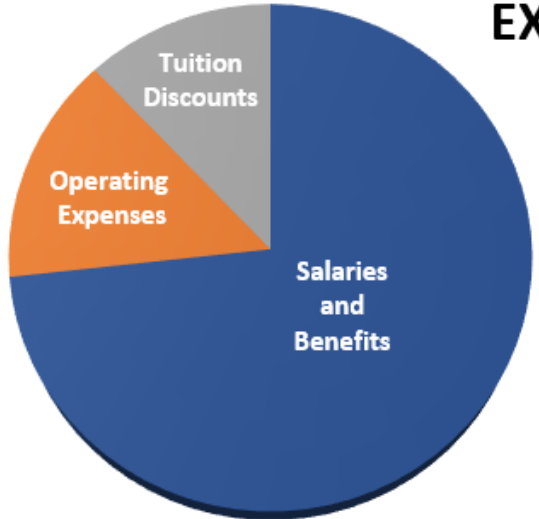


# FY 2019-20 Operating Fund Baseline Budget



**REVENUES (\$463.6M)**

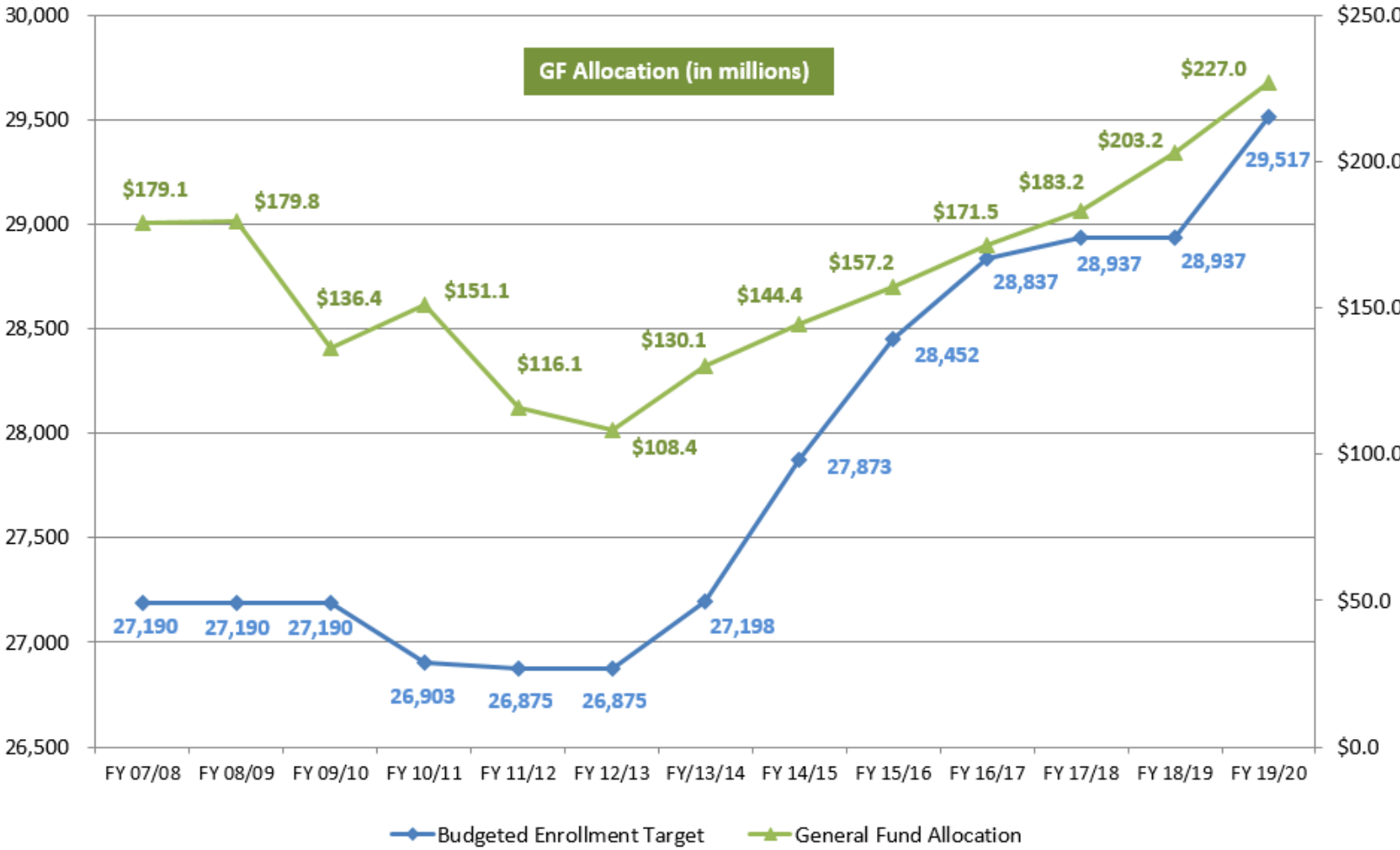
■ Tuition	44.9%
■ State Allocation	49.0%
■ Other Fees	3.6%
■ Non-Resident Fees	2.5%



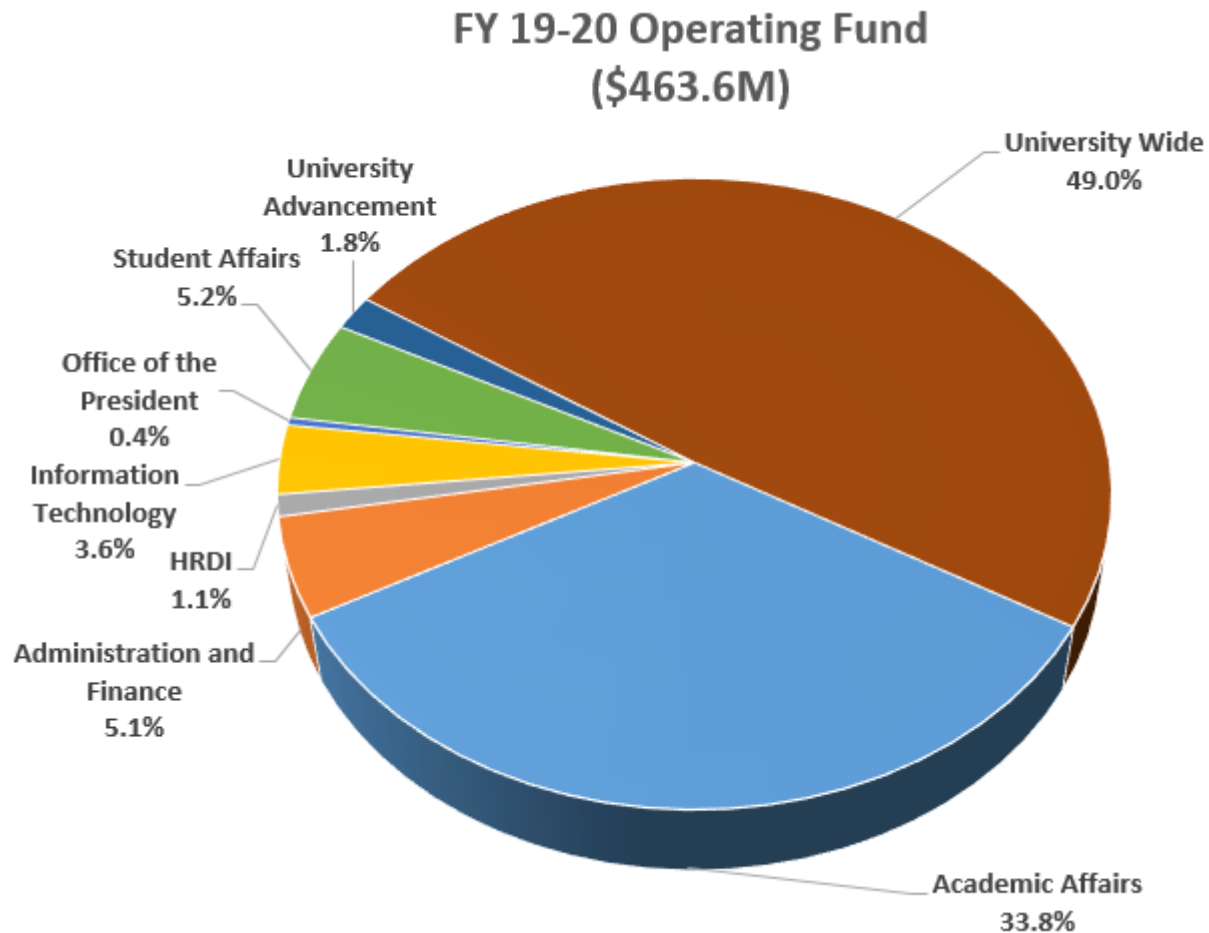
**EXPENSES (\$463.6M)**

■ Salaries and Benefits	73.3%
■ Operating Expenses	14.6%
■ Tuition Discounts	12.1%

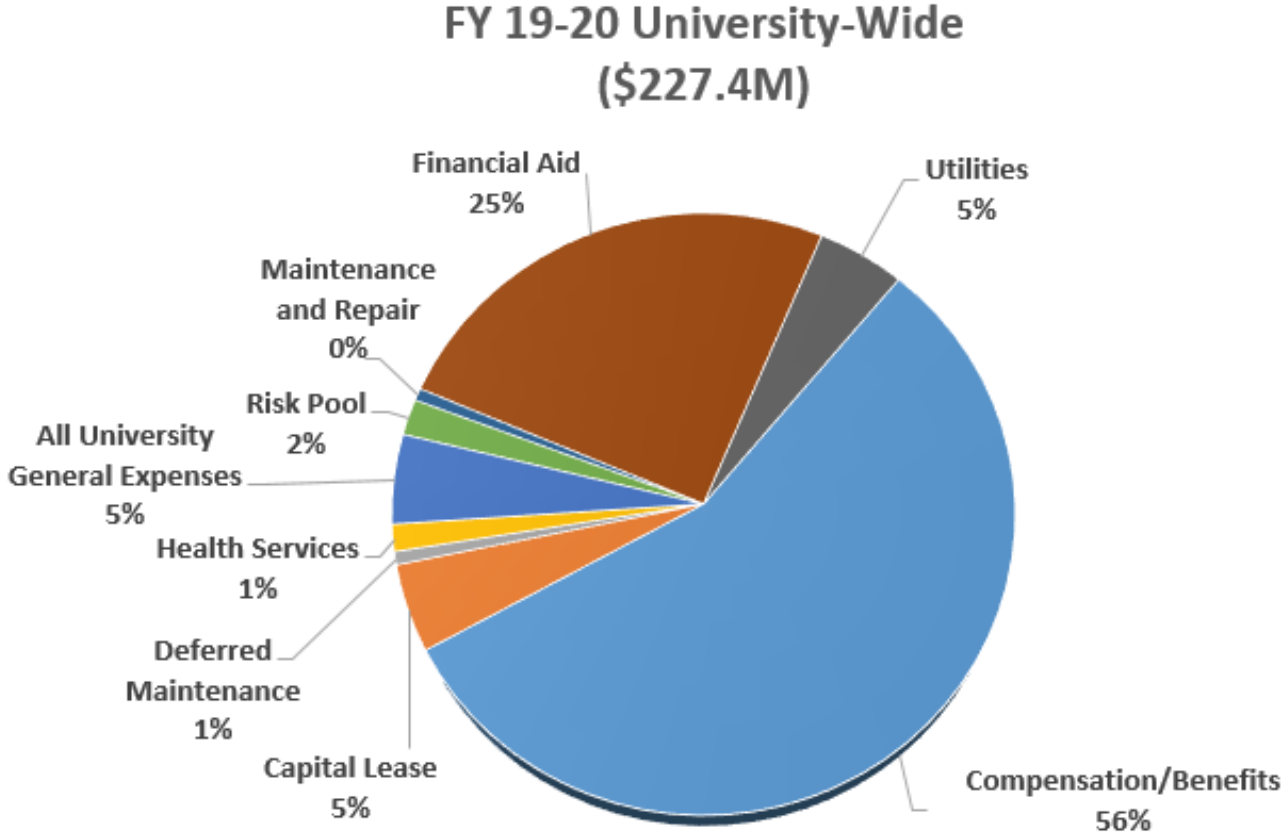
# Fullerton General Fund and Resident Student Enrollment FY 2007 - 2019



# FY 2019-20 Operating Fund Baseline Budget (by Divisions)



# FY 2019-20 Operating Fund Baseline Budget (University-Wide)



# University Budget Process & Timelines

- CSUF Budget Process & Timelines
  - University Planning Resource and Budget Committee (PRBC) – reviews budget priorities and develops budget recommendations to the president (fall through end of spring semester)
  - State/CSU budget approved – June 30
  - President responds to PRBC’s recommendations (Budget Letter)
  - University allocates budget to departments

## BUDGET CALENDAR

AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL
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### State / Legislature

					Governor's Budget Issued		Legislative Analyst Analysis	Legislative Hearings			
								May Revise	Budget Signed		

### CSU Chancellor / Board of Trustees

Executive Council Review										Executive Council Review	
FTES Target Allocated by CO											
Budget Advisory Com. Review	Statement of Priorities		Trustees Approve Next Year's Budget				Preliminary Campus Allocations			Final Campus Allocations	

### CSU Fullerton

	Submit Budget Requests for Cabinet Review				Self Support/Aux. Budget Proposals for New Fiscal Year			Self Support/Aux. Budget Proposals Reviewed	Fiscal Year End	New Fiscal Year
Prior Year Basis	President Approves Budget & Responds to PRBC							Self Support/Aux. Budget Proposals Approved		
	University Allocates New Budget to Departments				2nd Quarter / Mid-Year Divisional Budget Review			3rd Quarter Divisional Budget Review		
	PRBC Budget 101 Training	Publish Annual Budget Reports	Academic Senate Fall "Fiscal State of the University" Presentation		Budget Planning for Next Fiscal Year			PRBC Identifies Priorities and Drafts Letter to President	Academic Senate Spring Budget Outlook	Divisions Prepare Budget Requests

# Campus Budget Planning Allocation Scenarios

## Revenue and Expenditure Modeling/Projections

### Variables

- Past Trends
- Rates
- CO's Resident Enrollment Target
- Campus Enrollment Plan
- Student Faculty Ratio (SFR)
- Fixed / Permanent Costs
- Marginal Costs
- Tuition Waivers
- Campus Baseline Enrollment Budget (FTES, \$)
- Actual vs. Funded Enrollment Revenues
- Revenue Shortfall or Surplus – Variance from Funded Target

# General Operating Fund Campus Budget Allocations

## Baseline

- Baseline Budget – Permanent – On-Going
- Campus use Priority Based Incremental budgeting process

## One-Time

- Not Permanent (Example: Over-Enrollment)

**New Baseline Budget = Prior Year's Base + New FY Base Adjustments**

**New FY Budget = Previous Year's Base + New Base Adjustments + New One-Time Allocations + Prior Year Carry-Forward**





### SERVICES

- Budget Administration
- Planning, Analysis, & Decision Support
- More Services...



### FORMS

- Budget Transfer Request (BTR)
- Payroll Expenditure Transfer (PET)
- More Forms...



### REPORTS

- Annual Operating Fund Budget
- Auxiliary Budget
- More Reports, Facts, & Figures...

#### Important Deadlines & Rates

[19/20 Budget Calendar](#)

[Benefits Billing Rates \(2019-20\)](#)

[Due Dates: 19/20 Payroll Expenditure Transfer & Budget Transfer Requests](#)

#### Position Budgeting & Planning System

[Implementation and Training Resources](#)

#### Planning Resource Budget Committee (PRBC)

[Academic Senate's PRBC Agendas, Minutes, Presentations, and Recommendations](#)

# Questions?