

# FY 2014-15 Budget Outlook

*Danny C. Kim*

*Vice President for Administration and Finance/Chief Financial Officer*

*April 25, 2014*



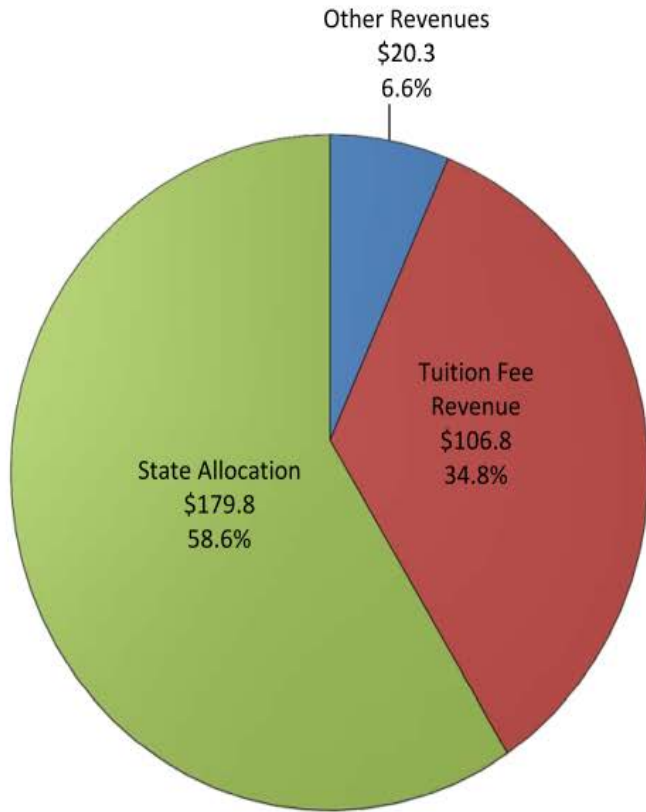
CALIFORNIA STATE UNIVERSITY  
**FULLERTON**<sup>™</sup>

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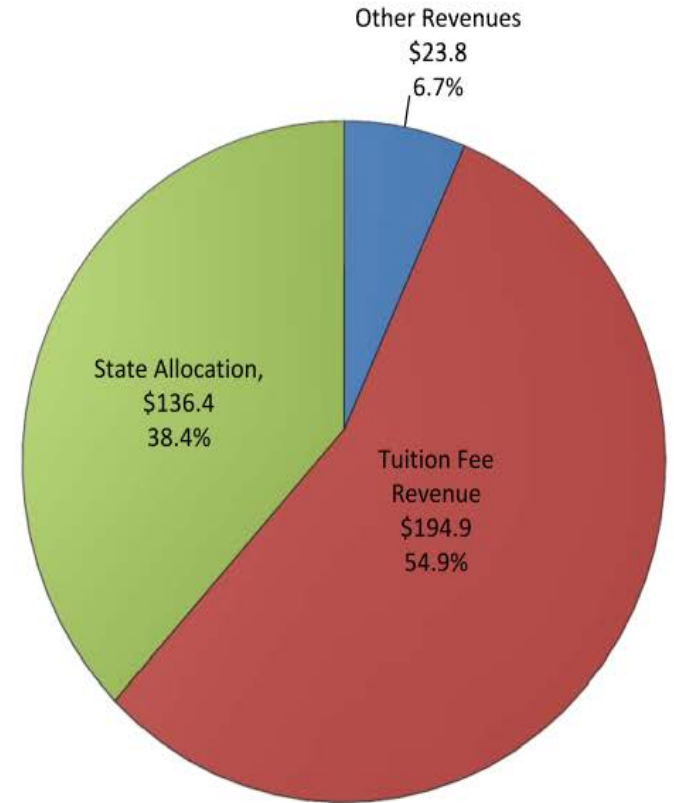
# Agenda

- History of State Operating Fund
- Budget Allocations By Division
- Baseline 14/15 State Operating Budgets
- One-Time 14/15 State Operating Fund
- Operating Fund Decisions

# State Operating Fund Budget (Millions\$)



**FY 2008-09**  
**\$306.9**



**FY 2014-15**  
**\$355.1**

# Enrollment FTES & Headcount

Academic Year Enrollment	FY 08-09	* FY 14/15
FTES	28,245	30,241
Headcount	37,380	37,588

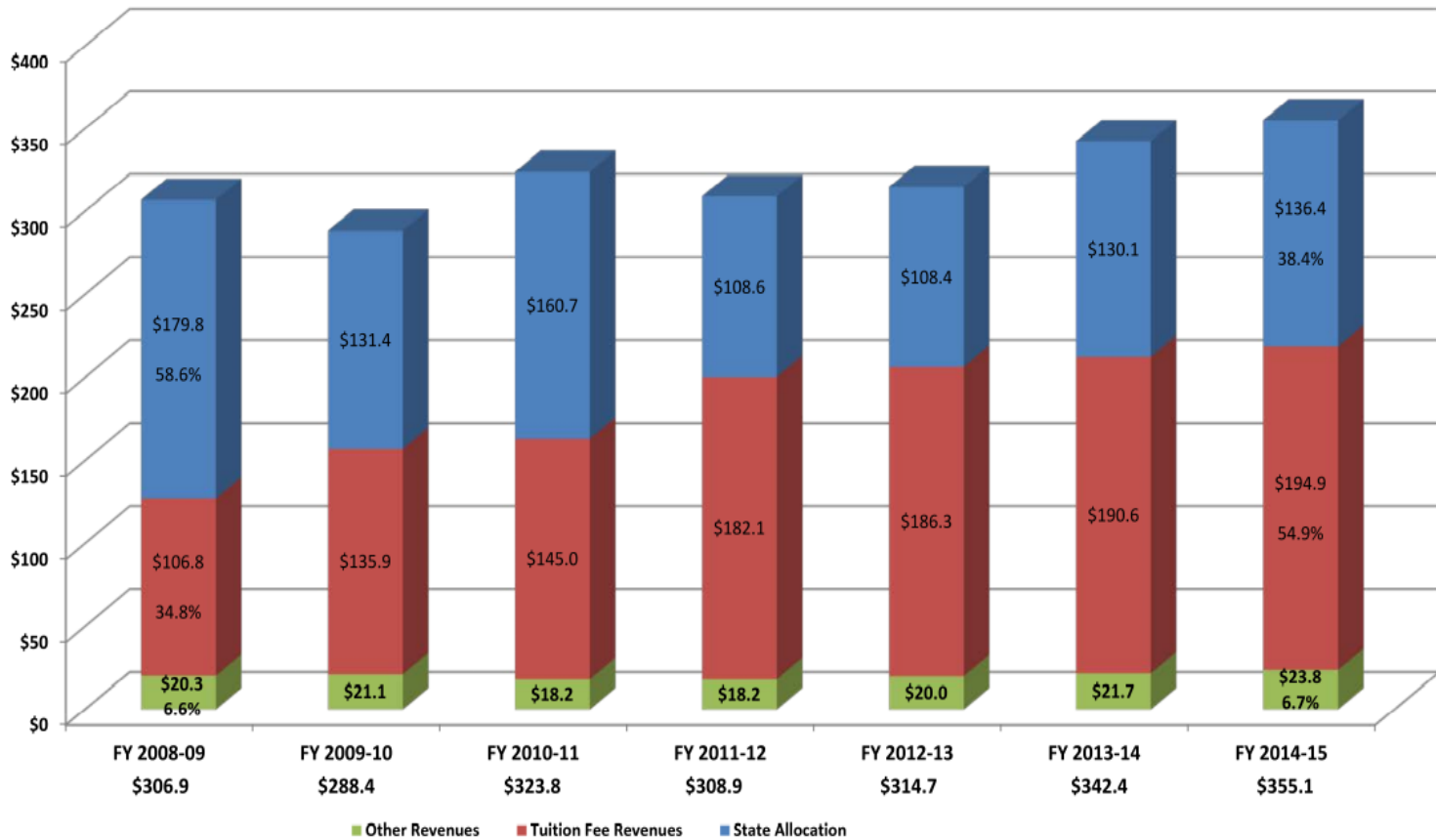
\* Budgeted

# \$ Per FTES

<b>Tuition</b>	<b>FY 08-09</b>	<b>FY 14-15</b>
Tuition Fee Revenue	\$3,649	\$6,426
State Allocations	\$6,612	\$4,896
<b>Total</b>	<b>\$10,261</b>	<b>\$11,322</b>

# State Operating Fund (Millions\$)

CSUF State Operating Fund  
Sources of Revenue  
FY 2008-09 to FY 2014-15  
(Millions \$)



# Budget Allocations By Division

Baseline + One-Time

State Operating Fund Budget Allocations By Division

	08-09	09-10	10-11	11-12	12-13	13-14
<b>BUDGET ALLOCATION BY DIVISION</b>						
President	3,141,759	2,717,300	3,017,428	2,761,234	1,859,582	1,698,786
Academic Affairs	119,210,118	105,512,980	128,084,224	119,641,989	116,451,972	129,932,280
Administration and Finance	19,995,710	18,613,614	20,526,659	19,135,502	17,828,953	19,720,175
Human Resources						4,503,211
Information Technology	10,304,317	9,407,163	12,595,562	11,619,726	11,081,413	12,808,397
Student Affairs	15,216,528	13,453,548	16,037,279	14,796,374	15,021,422	20,186,003
University Advancement	4,657,576	4,594,945	5,696,778	5,268,348	5,406,599	7,206,454
<b>Total Expenditures</b>	<b>172,526,008</b>	<b>154,299,550</b>	<b>185,957,931</b>	<b>173,223,173</b>	<b>167,649,941</b>	<b>196,055,307</b>

# State Operating Fund Summary

State Baseline FY 2013/14	130,064,361
State Baseline FY 2014/15 Increase	<u>6,395,400</u>
<b>subtotal</b>	<b>\$136,459,761</b>
Tuition/Other Baseline FY 2013/14	203,435,193
Tuition/Other Baseline FY 2014/15 Increase	<u>4,869,122</u>
<b>subtotal</b>	<b>\$208,304,315</b>
<b>Total FY 2014-15 State Allocation and Revenues</b>	<b><u><u>\$344,764,076</u></u></b>



# State Operating Fund 2014-15 Budget Summary

CSU	CSUF
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## \$142.2 Million Governor's Budget General Fund Base Budget Increase

- Enrollment Growth	39,567,000	3,057,000
- Mandatory Cost Increase (Health Benefit Premiums)	12,066,000	872,000
- Mandatory Cost Increase (New Space)	1,597,000	2,000
- Student Access and Success Initiatives - Proposed	25,000,000	<i>TBD - RFP Process</i>
- Employee Compensation Pool - Proposed	63,992,000	<i>TBD - Collective Bargaining Process</i>
<b>subtotal</b>	<b>\$ 142,222,000</b>	<b>\$ 3,931,000</b>

## Additional Adjustments

- Net Tuition Discounts General Fund Adjustments	0	776,200
- State Interest Payment Adjustment	1,179,000	96,900
- Student Success/Reduction of Bottleneck Courses Adjustments (baselined 14/15)	0	458,000
- Faculty Equity Salary Adjustment (baselined 14/15)	0	90,200
- Retirement Adjustment	15,631,660	1,043,100
<b>subtotal</b>	<b>\$ 16,810,660</b>	<b>\$ 2,464,400</b>
<b>Total Baseline General Fund Increase</b>		<b>\$ 6,395,400</b>

**Tuition Fee (FTE & Student Mix)** **\$ 4,869,122**

**Total Baseline Increase** **\$ 11,264,522**

# State Operating Fund Mandatory Baseline Commitments

CSUF

**Total Baseline Increase**    \$    **11,264,522**

## Mandatory Costs

Mandatory Systemwide Costs - Retirement	(1,043,100)
Mandatory Systemwide Costs - Health Benefit	(872,000)
Mandatory Systemwide Costs - Faculty Equity Salary Adjustment	(270,600)
Mandatory Systemwide Costs - Student Success/Bottleneck	(458,000)
Mandatory Systemwide Costs - Space Funding	(2,000)
Tuition Discounts Set Aside	(1,666,200)
<b>subtotal</b>	<b>(\$4,311,900)</b>

**Total Available Baseline Funds**    \$    **6,952,622**

# State Operating Fund Baseline Commitments

## STATE ALLOCATION SUMMARY FISCAL YEAR 2014-2015

	<b>CSUF</b>
<b>Total Available Baseline Funds</b>	<b>\$ 6,952,622</b>
<b>FY 13/14 Budget Decisions</b>	
133 Tenure Track Faculty Recruitment - Year 2 of 2 (Based on AA Estimate Including 31% Benefits)	(395,792)
Development - Administrative Support for Colleges	(375,029)
Building and Grounds, Maintenance	(1,000,000)
Chargeback Relief for State Funded Projects	(426,826)
<b>Subtotal FY 13/14 Decisions</b>	<b>(2,197,647)</b>
<b>Commitments</b>	
Irvine Rent	(1,250,402)
Faculty Promotions and Benefits (Based on Estimate)	(670,312)
<b>Subtotal Commitments</b>	<b>(1,920,714)</b>
<b>Total Available Baseline Funds</b>	<b>\$ 2,834,261</b>

# State Operating Fund One-Time Funds

FISCAL YEAR 2014-2015

## State Operating Fund One-Time Funds

CSUF

FY2014-15 Tuition Fees Over Enrollment  
NRT Fees (FTE Changes)

8,298,288  
2,065,716

### Total Available Funds

**\$10,364,004**

### Uses/Commitments

CMS Loan (Year 9 of 9)  
Class room Refurbishment (Year 2 of 5)  
Academic Affairs Pass-Through Expenditure Items  
133 Tenure Faculty Recruitment - Search & Support Costs  
Child Care Subsidy  
Concession Revenue

(779,411)  
(400,000)  
(4,588,390)  
(2,022,039)  
(73,000)  
(76,000)

**subtotal (7,938,840)**

### Fund Balance

**\$ 2,425,164**

# Operating Fund Decisions

	Baseline	One-Time
<b>Balance</b>	<b>\$2,834,261</b>	<b>\$2,425,164</b>
SFR	\$	\$
Structural Deficit	\$	\$
Operationalizing the Strategic Plan	\$	\$
Infrastructure	\$	\$
Earthquake	\$	\$
Build capacity in key areas – International Programs	(\$675,000)	\$
<b>Net Balance</b>	<b>\$?</b>	<b>\$?</b>

# CSU Budget Summary

In November 2013, CSU Trustees approved FY 2014-15 State Budget Request of \$237.6Million

## SOURCES OF FUNDS

<b>General Fund Increase</b>		<b>\$237,614,000</b>
5 Percent Enrollment Growth, Programs, and Operations	237,462,000	
Center for California Studies	152,000	
<b>Net Tuition Fee Revenue Adjustments</b>		<b>\$96,641,000</b>
Change in Enrollment Patterns	12,057,000	
5 Percent Enrollment Growth (16,826 FTES Base Revenue)	84,584,000	
<b>TOTAL REVENUE INCREASE</b>		<b>\$334,255,000</b>

## EXPENDITURE AUGMENTATIONS

<b>Mandatory Costs</b>		<b>\$13,663,000</b>
<b>Compensation Related</b>		
Health Benefits	12,066,000	
<b>Other Increases</b>		
New Space (2014/15)	1,597,000	
<b>Compensation—3 Percent Increase Pool</b>		<b>\$91,605,000</b>
<b>Student Success and Completion</b>		<b>\$50,000,000</b>
<b>5 Percent Enrollment Growth</b>		<b>\$163,835,000</b>
(includes Marginal Cost Calculation GF and Net Tuition Fee Revenue Uses)		
<b>Financing Maintenance and Infrastructure Needs</b>		<b>\$15,000,000</b>
<b>Center for California Studies</b>		<b>\$152,000</b>
<b>TOTAL EXPENDITURE INCREASE</b>		<b>\$334,255,000</b>

# CSU Budget Summary - *continued*

In January 2014, the Governor's FY 2014-15 budget proposal for the CSU included:

- \$142.2Million budget allocation for the CSU (consistent with the governor's multi-year plan released last year)
  - \$125.1M in 2013-14
  - \$142.2M in 2014-15
  - \$119.5M in 2015-16
  - \$124.3M in 2016-17
- Debt service to be folded into the CSU Support Budget
  - CSU to retain \$296.7M General Obligation (GO) Bond and \$99.1M Lease Revenue (LR) Bond
  - Authorize a restructuring of LR debt service – potential to be financially advantageous
  - Allow CSU to pledge its support budget and expend these funds for a variety of infrastructure-related purposes