

**CALIFORNIA STATE UNIVERSITY, SAN
BERNARDINO**

BUDGET OPEN FORUM

October 24, 2024



CSUSB WE DEFINE THE *Future*

Dr. Tomás D. Morales
President

CURRENT FOCUS



CSUSB

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CAMPUS PRIORITIES

Strategic Plan 2023-2028

FY 2023-24 Achievements:

- ✓ Student Success
- ✓ Faculty and Staff Success
- ✓ Diversity, Equity and Inclusion (DEI)
- ✓ Internationalization



CAMPUS PRIORITIES – CONT.

FY 2024-25 Priorities:

- ✓ Enrollment Management
- ✓ Student Success



CAMPUS PRIORITIES – CONT.

Capital Projects

- ✓ Performing Arts Expansion Project
- ✓ PDC Student Services Building
- ✓ MSPA Program Yasuda Center Space Renovation
- ✓ Physical Education Roof Repair
- ✓ Lot N and CGI Solar Project



FY 2024-25 BUDGET

Revenue Challenges

- ✓ CSUSB received a General Fund augmentation of \$17.3 million, mostly to cover mandatory cost increases
- ✓ FY 2024-25 FTES remains below the Chancellor's Office target



FY 2024-25 BUDGET – CONT.

Mandatory Costs in FY 2024-25

- ✓ Health Cost rate increases are significant in FY 2024-25
- ✓ Insurance Premium Increases for Liability and Property Insurance are significant
- ✓ Utility rates continue to climb in both electric and natural gas
- ✓ Inflation of Non-Personnel Costs
- ✓ CSU workforce Investments are significant



FY 2025-26 CSU ESSENTIAL PRIORITIES

Existing Priorities

- ✓ Student Success/Graduation Initiative
- ✓ Student Access & Enrollment
- ✓ Financial Aid: SUG – Enrollment Increase
- ✓ Faculty & Staff Compensation Pool
- ✓ Title IX and NAGPRA Compliance Program
- ✓ Student Basic Needs and Mental Health
- ✓ Capital Infrastructure Investments

New Priorities

- ✓ *Beyond Completion*
- ✓ *CSU Artificial Intelligence Initiative*

Dr. Samuel Sudhakar
Vice President & Chief Financial Officer
Finance, Technology and Operations

BUDGET UPDATE



CSUSB

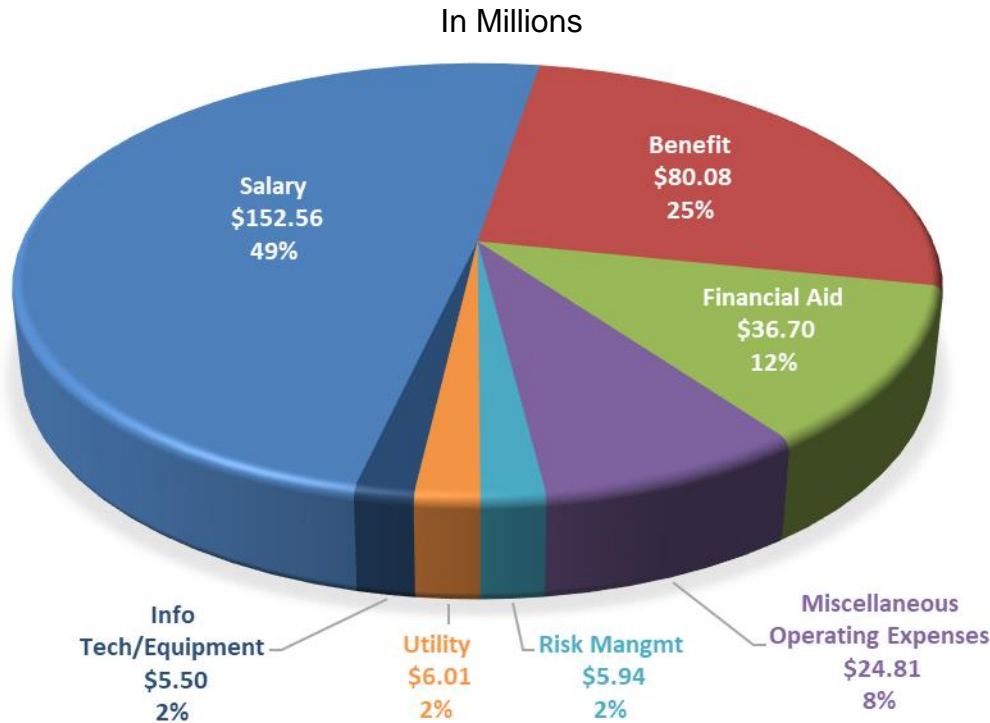
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OPERATING \$\$ SPENT IN FY 2023-24

Total Expense: \$311,608,338

Salary & Benefit
Exp = 74%

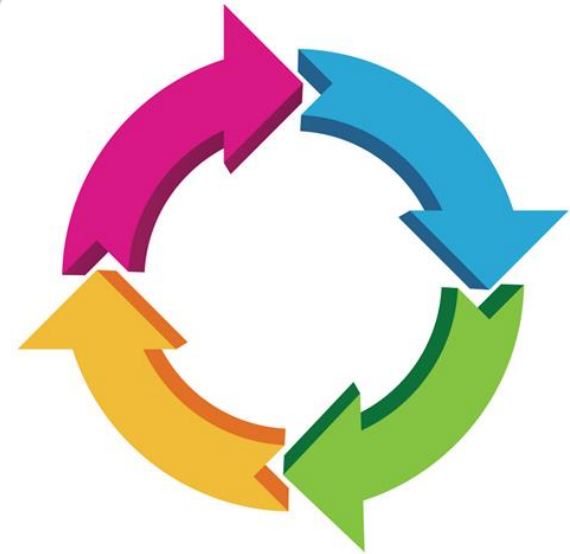


CSUSB's total FY 23/24 budget was **\$272.6 million** with state General Fund allocation of \$168M & campus revenue of \$104.5 million

University faced a budget deficit of **\$11.2M**, which was mitigated by an across-the-board budget reduction for all Divisions and the Central Budget

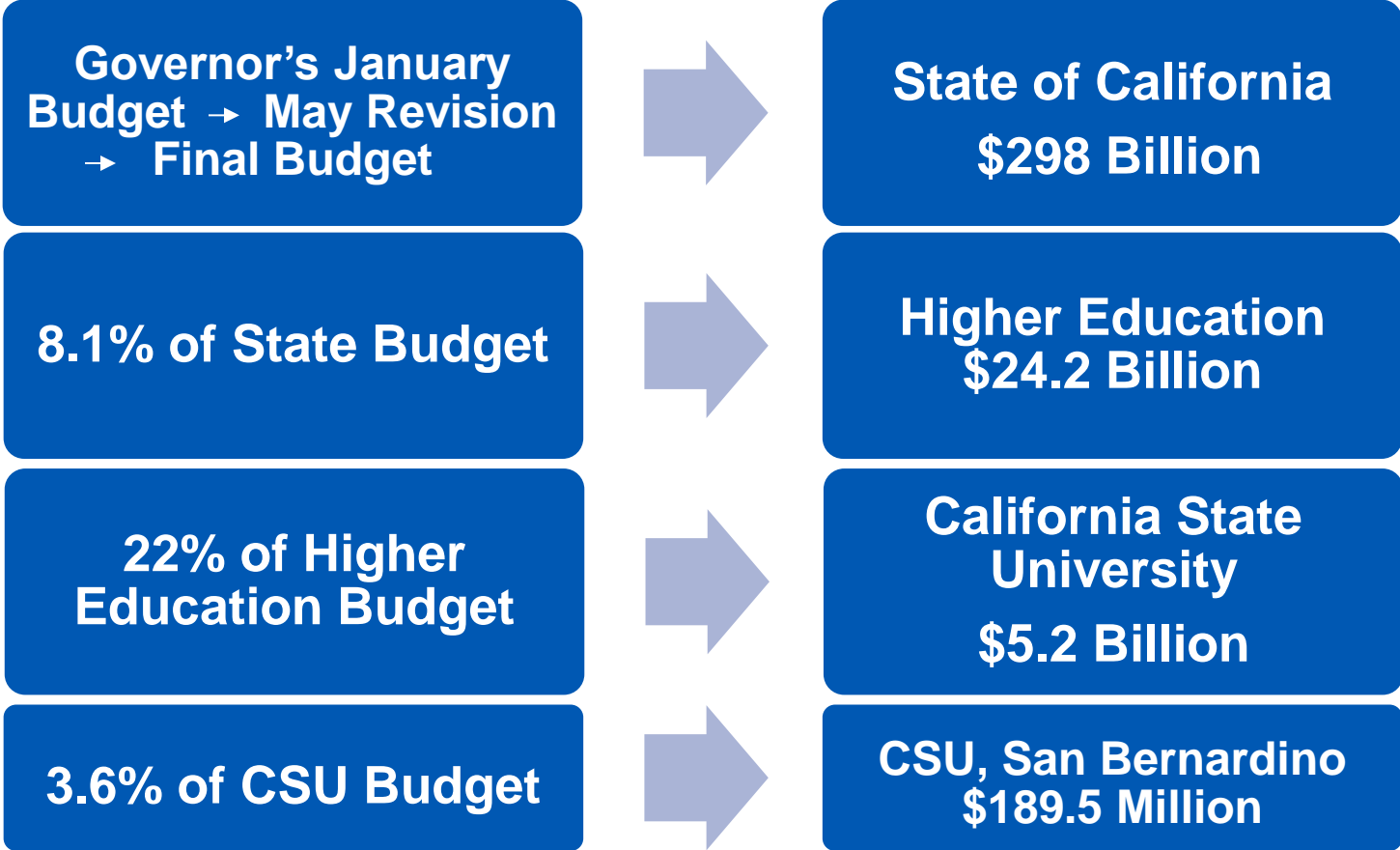
CSU BUDGET CYCLE

- ✓ **CSU Budget Request to Board of Trustees (Sept)**
- ✓ **Governor's Budget Proposal (Jan)**
- ✓ **Legislative Hearings (Feb-May)**
- ✓ **Governor's May Revision**
- ✓ **Final State Budget (June)**
- ✓ **Allocations Made to Campuses (July)**



STATE BUDGET ALLOCATION FY 2024-25

FY 2024-25 Allocations



FISCAL YEAR 2024-25 ENACTED BUDGET

Governor Newsom signed the Budget Act of 2024 on June 26, 2024

- ✓ FY 2024-25 Law: the final budget provided the CSU with an increase in base state funding of \$165 Million for FY 2024-25
- ✓ FY 2025-26 Intent: base reduction by 7.95% or \$397 million base GF reduction
- ✓ FY 2025-26 Intent: Deferral of the \$252 Million Compact Funding to FY 2026-27



FY 2024-25 CSUSB BUDGET OUTLOOK

New Revenues

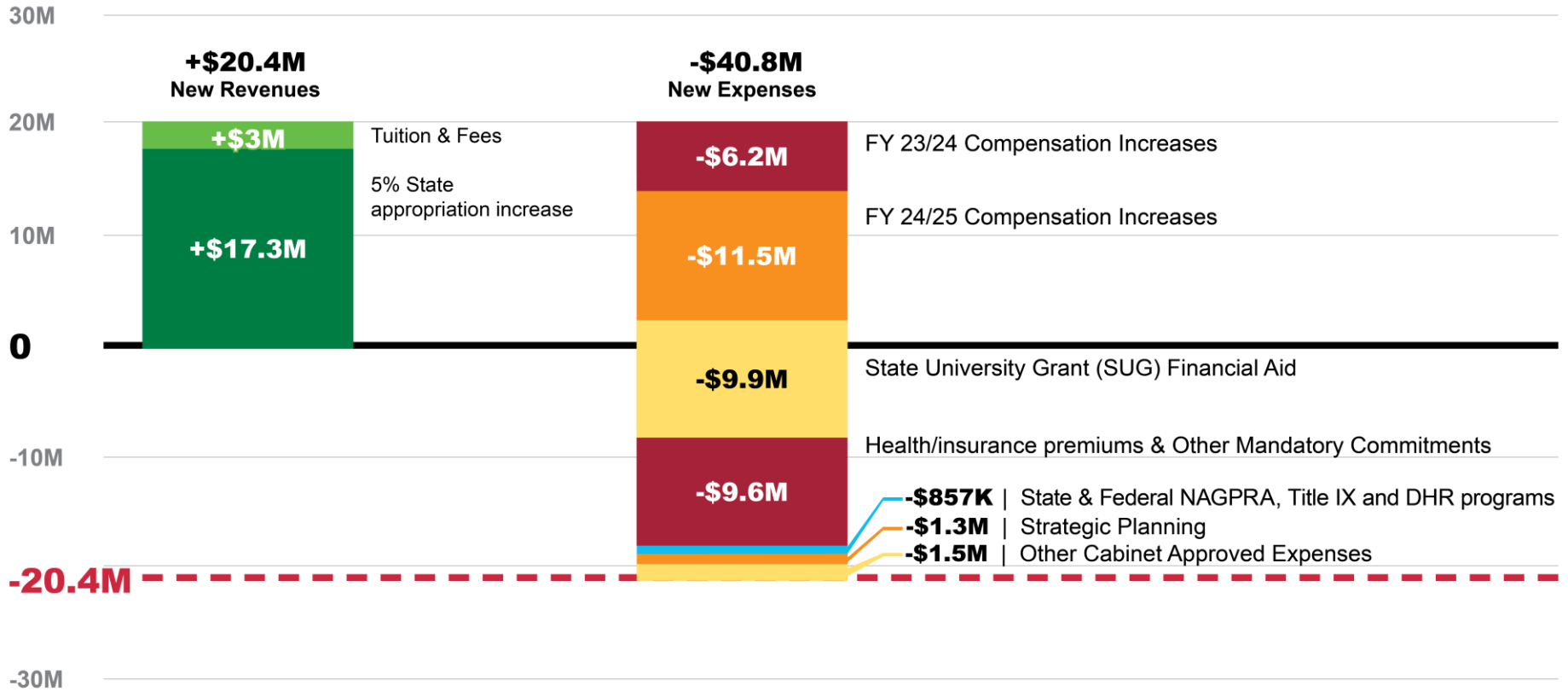
5% State appropriation increase (compact)	\$ 17,301,000
Tuition and Fees	3,061,429
Total	\$ 20,362,429

New Expenses

FY 2023-24 Compensation Increases	\$ 6,203,000
FY 2024-25 Compensation Increases	11,500,000
State University Grant (SUG) financial aid	9,859,000
Health/insurance premiums & Other Mandatory Commitments	9,627,330
State & Federal NAGPRA, Title IX and DHR programs	856,504
Strategic Planning	1,266,800
Other Cabinet Approved Expenses	1,467,028
Total	\$ 40,779,662

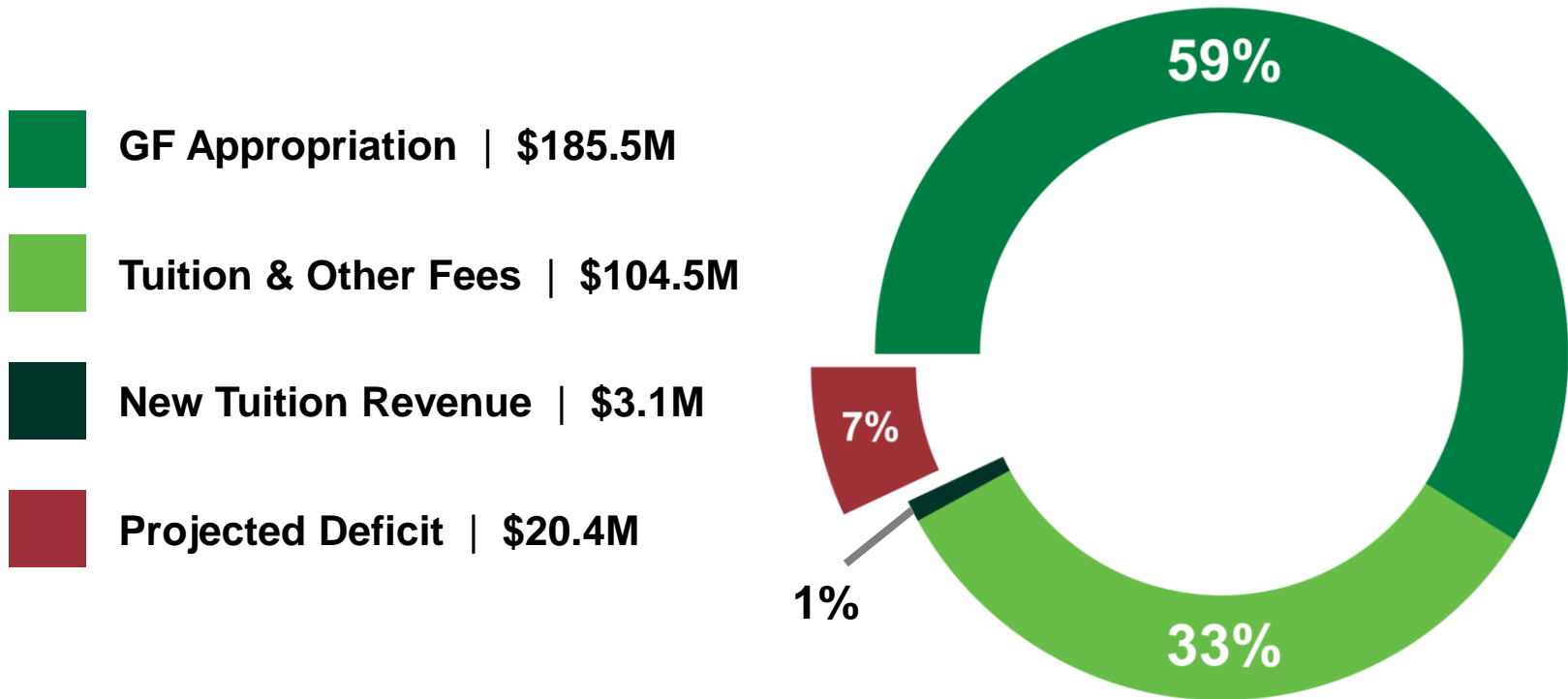
Total Projected Deficit \$ (20,417,233)

CSUSB FY 2024-25 BUDGET OUTLOOK



CSUSB FY 2024-25 BUDGET OUTLOOK

FY 2024-25 budget deficit represents about 7% of CSUSB's overall 2024-25 operating budget.



STEPS TO MITIGATE DEFICIT

Budget Deficit Mitigation Options:

To address the \$20.4 million budget deficit, cost-saving measures, including the following were implemented:

- ✓ A careful review of all positions, including management roles
- ✓ Reduce state funded travel expenses and other discretionary expenditures in all divisions
- ✓ Decrease OE&E for equipment and furniture expenses.
- ✓ Course and class size changes
- ✓ Reductions in faculty reassigned time



ENROLLMENT CHALLENGES

CSUSB's enrollment is still below the CO enrollment target.

- ✓ Under the CSU's adopted enrollment planning per the recommendation of the Chancellor's Executive Leadership Team, CSUSB's allowable enrollment threshold is 7% below the enrollment target in FY 2024-25 to keep the enrollment target and the funding in FY 2025-26
- ✓ If the threshold is more than 7% below the enrollment target in FY 2024-25, CSUSB will lose 5% of its general fund allocation from the CO in FY 2025-26



CSUSB FUNDING SOURCES

Operating

- General Fund Appropriation
- Tuition & Fees
- Misc. Chargeback Revenue
- EO1000 Cost Recovery

Trust Funds

- Misc. Course Fees
- Misc. Revenue
- Instructionally Related Activities (IRA)

SSI Fees

- Student Success Initiative Fees

Lottery

- Campus Based Allocations
- CO Initiatives

Other Sources

- Housing
- Parking
- CEGE
- Health Services

- ASI
- SMSU
- UEC
- Philanthropic

- Construction
- Deferred Maintenance



CSUSB ALL UNIVERSITY BUDGET 2024-25

In Millions

Operating Fund Budget (Base + One-Time)	\$316.98
Lottery Education Fund	2.90

Fee Funds

Student Success Initiative Fees	3.94
Instructionally Related Activities (IRA) Fees	0.82

Self-Support Entities

Extended Education (CEGE)	10.18
Health Center	7.97
Housing	13.69
Parking	6.28
Associated Students, Inc. (ASI)	1.64
Philanthropic Foundation	0.99
Santos Manuel Student Union (SMSU)	17.95
University Enterprises Corporation (UEC)	7.13
Total University Budget	\$390.48

FY 2025-26 CSU BUDGET REQUESTS

CSU's goals for FY 2025-26 budget planning is to advocate to:

- ✓ Avoid a harmful 7.9% (\$397M) base reduction
- ✓ Prevent the deferral of compact funding of \$252.3 million to FY 2026-27
- ✓ The proposed 7.95% base cut and deferred funding will jeopardize critical long-term academic program investments, student support services, infrastructure, and will create uncertainty for future needs planning
- ✓ Although CSU's multi-year tuition increases offers some predictability, however this is not enough without the compact funding



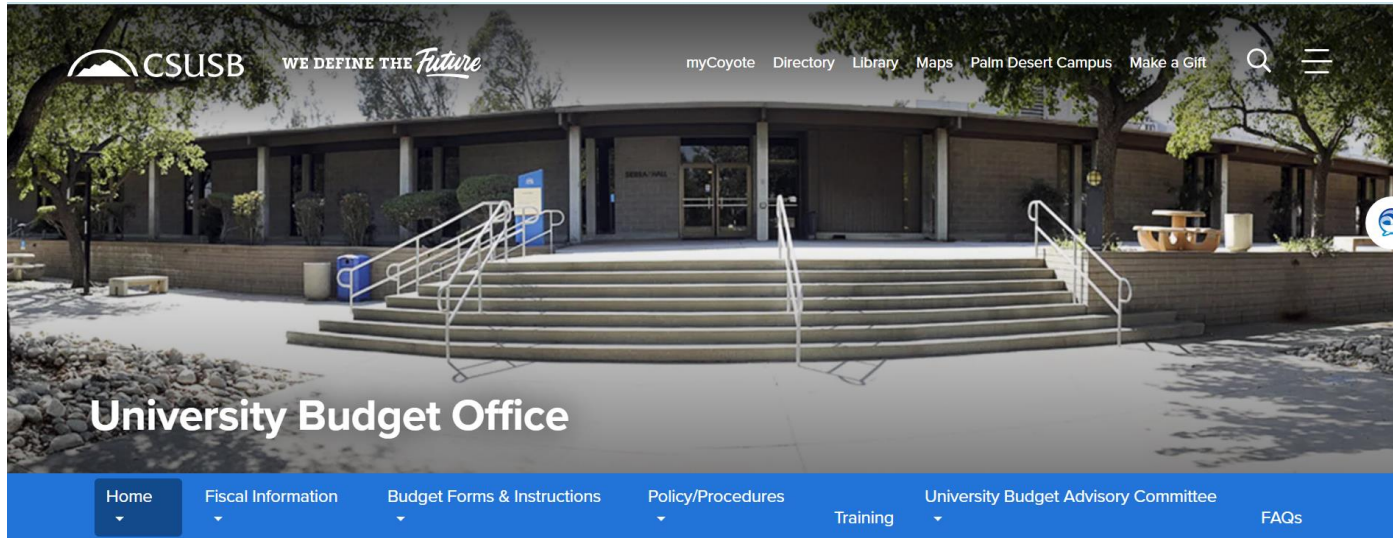
CSUSB MULTI-YEAR BUDGET

	FY 2023-24	FY 2024-25	FY 2025-26
CO Prior Year Allocation	159,914,000	168,188,000	185,489,000
CO Budget Year Allocation (De-allocation)	8,274,000	17,301,000	(15,334,000)
Reinstate FY 24-25 \$75 M Cut	-	-	4,048,000
Total CO GF Appropriation	168,188,000	185,489,000	174,203,000
Total Campus-Generated Revenue	104,452,868	107,514,297	113,947,932
Total Revenue for CSUSB	272,640,868	293,003,297	288,150,932
Planning Year Budget Increase (Decrease)	1,270,035	20,362,429	(4,852,365)
Planning Year Budget Commitment	12,469,673	40,779,662	12,541,795
Budget Surplus/ (Deficit)	(11,199,638)	(20,417,233)	(17,394,160)
Deficit Mitigation	11,199,638	20,417,233	-
Ending Balance	-	-	(17,394,160)



BUDGET WEBSITE

<https://www.csusb.edu/budget>



Fiscal Information:

Financial Transparency Portal • Quarterly Operating Fund Budget/Expenditure Report • GF Baseline Report • Cost Allocation Plan • Budget Open Forum Information • Benefit Rates • Year-end Deadlines

Budget Forms & Instructions:

Budget Amendment • Position Management

Policy/Procedures:

Budget Oversight Policy & Reports • Payroll Expenditure Transfer Procedure • Self-Support Budget Review Procedure & Review

University Budget Advisory Committee

UBAC Charter • UBAC Committee Member list • Meeting Materials

Any Questions?



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