



**University Budget Advisory Committee (UBAC)**

**March 1, 2024**

**2:30PM-4PM**

**UEC-Boardroom**

<https://csusb.zoom.us/j/86335708832>

**Minutes**

---

**Attendees:** Dr. Samuel Sudhakar, Dr. Rafik Mohamed, Robert Nava, Sesar Morfin, Homaira Masoud, Dr. Claudia Davis, Dr. Rueyling Chuang, Dr. Sastry Pantula, Dr. Jenna Aguirre, Carson Fajardo, Gabby Guzman and Andreina Dominguez.

**Absent:** Dr. Paz Oliverez, Dr. Jordan Fullam, Thomas Girshin.

**Welcome**

Dr. Sudhakar informed the Committee that we are expecting the preliminary allocation memo for FY 24-25 at the end of March or early April.

He commented that the State of California is in a budget deficit of \$68 billion; \$15 billion dollars more than what was presented at the January budget. We will be in year 3 in FY 24-25 of the 5-year compact. In alignment with the compact, the CSU systems were expecting to receive \$240 million in FY 24-25, however, due to the state deficit, the Governor has deferred the allocation by one year to July 1, 2025. Chancellor office deliberated and has decided to upfront the money to the campuses in the amount of the compact of \$240 million, keeping in line with the requirements of the compact, increasing enrollment, student access and success and other mandated programs.

Mr. Fajardo shared his experience at the CSSA meeting in Sacramento; he met with 10 legislators, assembly members and senators within the region; which contain alumni, students, faculty and staff. He was happy to advocate with students and the experience his peers and he had. Few topics of advocacy were graduation initiative, purpose of CSU funding, operation costs and faculty/staff wages.

Dr. Davis asked how far CSUSB from enrollment target and its funding.

Dr. Sudhakar stated that we are at 6.5% below Chancellor's Office target as of today.

Dr. Davis asked if there would be an opportunity for the Executive Faculty Senate be consider to also voice to legislators in the CSSA meetings, as she feels that voice is missing and perhaps can be under consideration.

Dr. Mohamed commented that this has been suggested previously; to build that for next year's advocacy day and have faculty voice be represented. However, it has been encouraged to the senate and to faculty individually from campus to contact their legislators directly and advocate independently across the board for faculty and students.

### **FY 2023-24 Budget Balance Available (BBA)**

Ms. Masoud reviewed the operating fund budget/expenditure detail report as of December 31, 2023.

Dr. Pantula commented regarding the OE&E budget being \$107 million as of 12/31/23 and the total OE&E including expenses and encumbrance is \$45 million, which is less than 50%.

Ms. Masoud confirmed that it has been budgeted \$107 million and \$37million has been spent, however, it will increase on the 3<sup>rd</sup> and 4<sup>th</sup> quarter. Additionally, 5% GSI is not in GL yet and will be posted in the 3<sup>rd</sup> quarter and the expenses will be higher.

Dr. Sudhakar explained that the 3<sup>rd</sup> and 4<sup>th</sup> quarters tend to dramatically go up due to various contracts coming up for renewal in the month of June.

Dr. Mohamed commented that we are more than halfway through, and the salary expenses are above 50% of the budget at this stage.

Ms. Masoud agreed and informed that it was budgeted for \$143 million and \$76 million has been spent.

Dr. Mohamed wanted clarification if the difference in wages is being paid from what it would have been used for OE.

Ms. Masoud stated that the OE&E budget can be used for salary budget, however there is a benefit implication.

Ms. Guzman commented that the OE&E seems to be lower this year, due to expenditures being less since we do not have HEERF funds to spend.

Ms. Masoud reviewed the financial standing summary.

Budgeted Revenue Sources (Base): General Fund Appropriation: \$168.2 million; Tuition & Fee Revenue: \$103.9 million; Other Base Revenue: \$0.58 million; Total Base Source: \$272.6 million.

Projected Revenue Actual: General Fund Appropriation: \$168.2 million; Tuition & Fee Revenue: \$100.5 million; Other Base Revenue: \$0.58 million; Total Est. Actual: \$269.3 million.

Total fee revenue deficit (estimated): \$3.4 million.

FY 2023-24 enrollment is below target, which is attributable to the \$3.4 million fee revenue deficit.

Dr. Chuang wanted to clarify if there was any other source of funding; she asked if the tuition fee revenue is for in-state students and is the \$3.4 million projected budget deficit based on how much marginal cost per FTES.

Ms. Masoud clarified that tuition is based on state and out of state (resident and non-resident), however, only for Fall and Spring terms. The adjusted fee per FTES is over \$6,500; this incorporates waivers.

### **FY 2024-25 January Governor's Budget (Preliminary)**

Ms. Masoud reviewed the Governor's January Budget and Chancellor's Office Plan

- Governor's preliminary FY 24/25 budget was released on January 10, 2024.



- The governor proposed a deferral of FY 24/25 compact funding of \$240 million by one year to FY 25/26.
- The Governor proposed to provide CSU with a one-time payment of \$240 million on 7/1/2025.
  - In FY 25/26 CSU will receive a one-time allocation of \$240 million and baseline allocation of \$240 million.
- The Governor indicated that the deferred FY 24/25 compact will be added to FY 25/26 base budget.

#### **Chancellor's Office Plan**

- The Chancellor's Office will allocate approximately \$240 million to the campuses to support priorities outlined in the CSU's 2024-25 Operating Budget Plan as follows:
  - Financial Aid due to Tuition Rate Increases
  - Faculty & Staff Compensation
  - Liability & Property Insurance Premium
  - Health Premium Increases
  - Title IX & DHR Programs
  - State & Federal NAGPRA Compliance
  - Student Basic Needs & Mental Health
- Enrollment Target – CSUSB's enrollment target remained at 16,489 FTES as FY 23/24 FTES remained above 10% threshold.
  - CSU Enrollment targets are aligned with Compact goals.
  - All campuses are expected to increase resident enrollment.
  - In FY 24/25, CSUSB's FTES needs to be above 7% threshold to keep its target and enrollment funding.

Ms. Masoud mentioned the CO plan to manage enrollment and associated revenue deficits.

- Campuses that are below 10% CO target in FY 23/24 will receive a 5% enrollment & funding cut in FY 24/25. Since this is the first year, the target cut was changed to 3%. CSUSB was above the threshold in FY 23/24
- Campuses that are below 7% CO target in FY 24/25 will get a 5% enrollment & funding cut in FY 25/26.
- Campuses that are below 5% CO target in FY 25/26 will get a 5% enrollment & funding cut in FY 26/27.

Dr. Sudhakar commented that Chancellor's office has communicated that they will reallocate funding from campuses that have declining enrollments to campuses that have growing enrollments. Although we are at 6.5% below Chancellor's target, he believes that we are still one of the campuses that is fast growing in CA and is hoping that enrollment will bounce up and we will grow.

Dr. Davis asked if enrollment was lower or higher than last year.

Dr. Mohamed informed that it was relatively flat, however, it was lower in head count and that she may check enrollment in real time from the dashboard found on the Institutional Research website. Commented that for next year, however, enrollment needs to be above the 7% threshold and is hopeful that through our advanced recruitment efforts and retention efforts it can happen.

One of the biggest challenges is that we lose 30% of students by their junior year. The other issue is beyond the institution's control, is FAFSA; we do not receive accurate financial aid information to incoming students until May. We have some of the highest student population that might wait until next year to decide if they will attend, it is contingent upon financial aid. Another factor is competition with private institutions where they offer tuition discounts to keep their enrollments stable. Lastly, the AB 928 articulation from community colleges into CSU; will impact in terms of enrollment.