

Campus Budget Update

July 27, 2020

CSUDH

DIRECTORY

CSUDH

CALIFORNIA STATE UNIVERSITY
DOMINGUEZ HILLS

Agenda

- I. Assumptions
- II. Campus Funding Model
- III. Review Budget Memo
- IV. Campus Shortfall
- V. CARES Act



ASSUMPTIONS



2020-21 Assumptions Guiding Budget Modeling

- Protecting the health and safety of the campus community at all costs
- Maintaining the integrity of the academic enterprise
- Attending to essential support services and co-curricular learning opportunities
- Prioritizing the prudent use of available resources, hoping to minimize and/or eliminate the possibility of layoffs or furloughs for staff and faculty (although those possibilities have been a definite consideration)
- Being cognizant of the fact that as we distinguish between one-time and recurring cuts, this budget crisis will likely continue for three years
- Commitment to the values of diversity, equity and inclusion



CAMPUS FUNDING MODEL



Campus Funding Model

- In 20/21 CSUDH received state funding for 11,473 resident FTES, which equates to \$103.4M
- In 19/20 CSUDH served 13,284 FTES, including 13,125 resident FTES.
- The campus did not receive funding from the state for the additional 1,652 resident FTES over the target enrollment amount



REVIEW BUDGET MEMO



2020-21 Budget Memo- Base Budget Reduction

- The State of California is anticipating a \$54.3B decrease in revenues in 20-21. The enacted state budget reflects decreased allocations to close that gap.
- The CSU will see a \$299M decrease in recurring General Fund Appropriation from the State, and \$24.2M in tuition loss, for a total CSU budget reduction of \$323.2M
- The reduction distribution across campuses was based on two methodologies:
 - 1) A proportionate cut based on the size of the campus budget
 - 2) The percent of Pell-eligible students on each campus
- The Dominguez Hills portion of the permanent base budget reduction is **\$7,520,852**, with an expectation to maintain the same enrollment targets
 - 11,473 Residential FTES, and 158 Non-Residential FTES



2020-21 Budget Memo

- Other items included in the Budget Memo, which will not have any affect on the CSUDH Budget:
 - 1) At the end of the 19-20 year, CSUDH received funding for increased retirement benefits- this amount was reflected in the Budget Memo, but already included in the starting Base Budget
 - 2) CSUDH was allocated an additional \$1.7M to distribute to students through State University Grants. This allocation will have a positive effect on students, but will not be used to address the budget shortfall



CAMPUS SHORTFALL



2020-21 Budget Memo- Unfunded Expenses

- The narrative in the Budget Memo outlined that campuses will not receive funding to offset the expenses associated with mandatory costs, such as health insurance premiums and retirement benefits.
- As these expenses increase with no revenue, the funding will need to be identified from elsewhere in the campus budget.
- The total projected expense of unfunded mandatory costs will be approximately \$1.1M: \$804k for health premiums, and \$360k for retirement benefits



2020-21 Unfunded Campus Priorities

- There were several positions that were deemed critical to the mission of the university but did not have funding available.
- Assumptions were made regarding FY20-21 funding for new positions that did not materialize due to the budget impact from COVID-19, while critical positions to support CSUDH centers identified below will require identifying fund sources.
- These mission critical positions included some student assistants, faculty to teach courses, and Directors for the Rose Black Resource Center, Queer Culture Resource Center, Latin X Resource Center, and API Resource Center.



2020-21 Dominguez Hills Base Shortfall

Base Budget Reduction (Budget Memo)	\$ (7,520,852)
Unfunded Health Premiums (Budget Memo)	\$ (804,000)
Unfunded Retirement Benefits (Budget Memo)	\$ (360,000)
Unfunded Campus Priorities	\$ (590,200)
TOTAL	\$ (9,275,052)



2020-21 Use of Campus Reserves

- \$5,000,000 – One-time reserve funds
- \$2,500,000 (50%) – Allocated to help offset a rolling \$3,700,000 deficit in Student Health Services. Balance of this deficit funded by campus interest earnings.
- \$1,500,000 (30%) – Reserves available for 21/22
- \$1,000,000 (20%) – Reserves available for 22/23



2020-21 Dominguez Hills One-Time Needs

Loans/External Agreements	\$	(2,744,900)
Annually Recurring Expenses	\$	(1,027,000)
Student Health Services Deficit	\$	(700,000)
I&I CBAPP Contributions	\$	(1,000,000)
I&I Campus Contribution	\$	(1,400,000)
Library/Welch Moves	\$	(1,000,000)
Housing Debt Service	\$	(1,700,000)
AADHT Student Assistants	\$	(1,509,000)
AADHT Temp Help		TBD
Unfunded Athletics Scholarships	\$	(93,000)
Misc.	\$	(3,700,000)
TOTAL	\$	(14,873,900)



2020-21 Dominguez Hills Shortfall Strategies

BASE

Stoplight Chart Positions (Less critical functions only)	\$ 5,628,851
Layoffs	\$?????
-Lack of Work	
-Lack of Funds	
TOTAL BASE STRATEGIES	\$ 5,628,851

ONE-TIME

Operating Fund Designated for Outstanding Commitments	\$ 6,505,861
Sweep Travel Budgets	\$ 820,000
Reduce Student Hires	\$?????
Reduce Temporary Appointments	\$?????
Leverage CARES Act Dollars	\$ 1,600,000
Leverage Carry-Forward Balances	\$???
Leverage All-Funds Budgeting	\$ 3,300,000
TOTAL ONE-TIME STRATEGIES	\$12,225,861



2020-21 Dominguez Hills Remaining Shortfall

	BASE	ONE-TIME
Funding Needed	\$ 9,275,052	\$14,873,900
Funding Identified	\$ 5,628,851	\$12,225,861
Remaining Shortfall	\$ (3,646,201)	\$ (2,648,039)



PROJECTED ENTERPRISE LOST REVENUE

	Spring '20	Fall '20	TOTAL
Housing	\$861,005	\$3,264,347	\$4,125,352
Foundation	\$1,907,236	\$2,734,112	\$4,641,348
Parking	\$1,227,487	\$2,562,510	\$3,789,997
PaCE	\$967,065	\$0	\$967,065
Campus Union	\$60,000	\$505,229	\$565,229
ASI	\$82,300	\$268,444	\$350,744
TOTAL	\$5,105,093	\$9,334,642	\$14,439,735



CARES ACT



CARES Act – Total Allocation

	Total Allocation	Minimum Allocation to be Awarded for Emergency Financial Aid Grants to Students	Institutional Portion	Minority Serving Institutions	Total Institutional Portion
CSUDH Allocation	\$ 18,481,277	\$ 9,240,639	\$ 9,240,638	\$ 1,301,802	\$ 10,542,440



EXISTING COVID-RELATED EXPENSES

Academic Affairs	\$ 117,232
Administration & Finance	\$ 21,776
Centrally Managed	\$ 3,662
Housing	\$ 885,972
Information Technology	\$ 86,678
IRA	\$ 1,901
Lottery	\$ 34,241
Office of the President	\$ 7,742
Parking	\$ 674,129
Student Affairs	\$ 42,884
University Advancement	\$ 1,492
TOTAL	\$1,877,713



PROJECTED COVID-RELATED EXPENSES

Office of the President	\$	0
Academic Affairs	\$	2,842,598
<i>Conversion to Virtual Model</i>	\$	1,610,204
<i>Professional Development/Planning</i>	\$	403,500
<i>Student Support</i>	\$	792,419
<i>Library Needs</i>	\$	36,475
Administration & Finance	\$	600,000
<i>PPE</i>	\$	550,000
<i>Supplies/equip</i>	\$	50,000
Student Affairs	\$	0
<i>(Housing Refunds of \$880k in previous slide)</i>		
University Advancement	\$	0
Information Technology	\$	9,771,407
<i>Call Center Student Support</i>	\$	500,000
<i>Software/Hardware Needs</i>	\$	2,815,000
<i>Student Mobile Device Checkout</i>	\$	6,456,407
TOTAL	\$	13,214,005



NEXT STEPS



2020-21 Next Steps in Campus Planning

- 1) Communicate broadly
 - Zoom Budget Updates
 - Updates on the campus Budget website
- 2) Engage in broad consultation with a plan of how the consultation process will work
 - Timelines
- 3) Continue to review positions in the 'Stoplight Chart'
- 4) Continue review of all expenses and funding sources to mitigate the impact to critical services and potential layoff of personnel
 - Identify process efficiencies that may generate cost savings (campus reinvention)
 - Further evaluate identified reduction strategies (refer to shortfall strategies slide)
- 5) Make recommendations to Executive Policy group



SAVE THE DATE: Future Budget Updates

- TBD: Campus Budget Update
- Monday, August 31st : Budget Lunch & Learn*- Budget Basics & OpenGov
- Monday, October 5th : Budget Lunch & Learn*- Budget Timeline Review

*If you have any budget topics you would be interested in learning more about, please send them to Katie Robinson, University Budget Director (karobinson@csudh.edu).



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