

Campus Budget Webinar

February 10, 2021

CSUDH

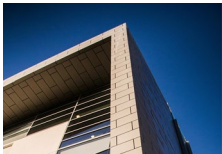
DIRECTORY

CSUDH

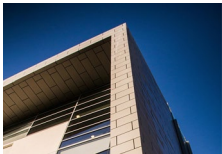
CALIFORNIA STATE UNIVERSITY
DOMINGUEZ HILLS

Agenda

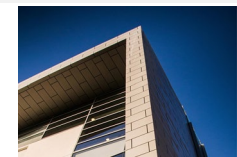
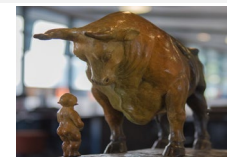
- I. Welcome
- II. 2nd Quarter Financials
- III. Progress on Addressing Deficit
- IV. Governor's Preliminary Budget
- V. CARES Update
- VI. Strategic Budgeting



WELCOME

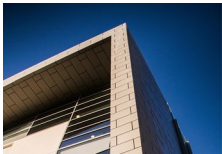


2nd QUARTER FINANCIALS



AADHT Actuals and Projections

- We closely monitor progress in addressing the budget deficit by running projection reports at the close of each month
- These reports reflect three categories of expenses:
 - 1) Actuals to Date. These are the real actual expenses that have taken place up until the close of the reporting period.
 - 2) Projected Actuals. These are projections for the remainder of the year based on the assumption that spending will continue at the same rate. This approach averages the spending of the previous months.
 - 3) Encumbrances. These are financial commitments that have already been made, that we know we will have to pay. Encumbrances can vary drastically based on timing of contracts or payments.



1st Quarter Report

- At the end of the 1st Quarter, the Projected YE Balance in AADHT was a \$9.9M deficit

Division	Base Budget	Revised Budget	Actuals (July-Sept)	Projected Actuals (Oct-June)	Encumbrances	Projected YE Actuals	Projected YE Balance
ACADEMIC AFFAIRS	\$ 61,194,635	\$ 62,078,526	\$ 16,730,244	\$ 50,190,733	\$ 191,920	\$ 67,112,897	\$ (5,034,372)
ADMIN AND FINANCE	\$ 14,541,814	\$ 16,075,281	\$ 3,811,148	\$ 11,433,443	\$ 1,354,813	\$ 16,599,405	\$ (524,124)
ADVANCEMENT	\$ 2,953,660	\$ 4,300,070	\$ 659,022	\$ 1,977,065	\$ 107,603	\$ 2,743,691	\$ 1,556,379
INFO TECHNOLOGY	\$ 9,286,481	\$ 11,378,765	\$ 3,620,421	\$ 10,861,264	\$ 3,737,539	\$ 18,219,224	\$ (6,840,460)
PRESIDENT	\$ 3,015,873	\$ 3,710,850	\$ 599,340	\$ 1,798,020	\$ 146,078	\$ 2,543,437	\$ 1,167,413
STUDENT AFFAIRS	\$ 10,723,913	\$ 10,624,974	\$ 2,474,254	\$ 7,422,761	\$ 129,079	\$ 10,026,093	\$ 598,881
CENTRALLY MONITORED	\$ 91,461,042	\$ 106,175,614	\$ 31,323,019	\$ 75,525,350	\$ 172,879	\$ 107,021,248	\$ (845,634)
<i>Benefits</i>	\$ 45,219,715	\$ 45,219,715	\$ 11,707,733	\$ 35,123,200	\$ -	\$ 46,830,934	\$ (1,611,218)
<i>Utilities</i>	\$ 3,413,078	\$ 3,479,527	\$ 574,633	\$ 2,864,228	\$ 40,666	\$ 3,479,527	\$ 0
<i>Financial Aid</i>	\$ 32,299,701	\$ 32,299,701	\$ 14,132,207	\$ 18,167,494	\$ -	\$ 32,299,701	\$ -
<i>Other CM</i>	\$ 10,528,548	\$ 25,176,670	\$ 4,908,446	\$ 19,370,427	\$ 132,213	\$ 24,411,086	\$ 765,584
TOTAL	\$ 193,177,417	\$ 214,344,079	\$ 59,217,448	\$ 159,208,635	\$ 5,839,912	\$ 224,265,995	\$ (9,921,916)



2nd Quarter Report

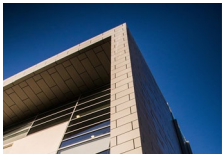
- At the end of the 2nd Quarter, the Projected YE Balance in AADHT is a \$1.3M deficit

Division	Original Budget	Revised Budget	Actuals (July-Dec)	Projected Actuals (Jan-June)	Encumbrances	Projected YE Actuals	Projected YE Balance
ACADEMIC AFFAIRS	\$ 63,056,840	\$ 64,405,279	\$ 31,951,005	\$ 31,951,005	\$ 258,471	\$ 64,160,481	\$ 244,798
ADMIN AND FINANCE	\$ 14,641,814	\$ 16,109,097	\$ 7,582,526	\$ 7,582,526	\$ 1,228,178	\$ 16,393,230	\$ (284,132)
ADVANCEMENT	\$ 2,953,660	\$ 4,300,070	\$ 1,060,674	\$ 1,060,674	\$ 40,408	\$ 2,161,757	\$ 2,138,313
INFO TECHNOLOGY	\$ 9,218,481	\$ 11,217,827	\$ 8,999,560	\$ 5,399,560	\$ 1,607,111	\$ 16,006,230	\$ (4,788,404)
PRESIDENTS	\$ 3,155,873	\$ 3,792,516	\$ 1,385,750	\$ 1,385,750	\$ 268,799	\$ 3,040,298	\$ 752,218
STUDENT AFFAIRS	\$ 10,847,573	\$ 10,778,441	\$ 4,779,316	\$ 4,779,316	\$ 117,326	\$ 9,675,957	\$ 1,102,484
CENTRALLY MONITORED	\$ 89,303,177	\$ 104,232,404	\$ 43,715,876	\$ 60,708,767	\$ 309,096	\$ 104,733,738	\$ (501,334)
<i>Benefits</i>	\$ 46,337,882	\$ 46,366,633	\$ 24,352,120	\$ 24,352,120	\$ -	\$ 48,704,240	\$ (2,337,607)
<i>Utilities</i>	\$ 3,413,078	\$ 3,479,527	\$ 1,088,284	\$ 1,263,284	\$ 93,940	\$ 2,445,508	\$ 1,034,019
<i>Financial Aid</i>	\$ 32,299,701	\$ 32,496,001	\$ 14,230,083	\$ 18,265,918	\$ -	\$ 32,496,001	\$ -
<i>Other CM</i>	\$ 7,252,516	\$ 21,890,243	\$ 4,045,388	\$ 16,827,444	\$ 215,156	\$ 21,087,989	\$ 802,254
TOTAL	\$ 193,177,417	\$ 214,835,634	\$ 99,474,706	\$ 112,867,597	\$ 3,829,388	\$ 216,171,691	\$ (1,336,057)



2nd Quarter Actuals

- What makes up the \$8.6M difference?
 - Actual expenses were 32% lower in the 2nd quarter than the 1st quarter
 - Expenses were front-loaded in the first quarter in preparation for the new academic year
 - As more expenses were realized, the projection for the remainder of the year became more accurate, and reflected the decreased rate of spending
 - An analysis of utility use yielded projected savings of \$1M
 - Encumbrances were approx. \$2M lower at the time of the Q2 report



AADHT Actuals & Projections

As of 9/30/20

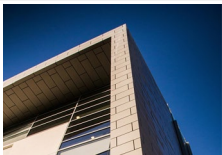
Division	Projected YE Actuals	Projected YE Balance
ACADEMIC AFFAIRS	\$ 67,112,897	\$ (5,034,372)
ADMIN AND FINANCE	\$ 16,599,405	\$ (524,124)
ADVANCEMENT	\$ 2,743,691	\$ 1,556,379
INFO TECHNOLOGY	\$ 18,219,224	\$ (6,840,460)
PRESIDENTS	\$ 2,543,437	\$ 1,167,413
STUDENT AFFAIRS	\$ 10,026,093	\$ 598,881
CENTRALLY MONITORED	\$ 107,021,248	\$ (845,634)
<i>Benefits</i>	\$ 46,830,934	\$ (1,611,218)
<i>Utilities</i>	\$ 3,479,527	\$ 0
<i>Financial Aid</i>	\$ 32,299,701	\$ -
<i>Other CM</i>	\$ 24,411,086	\$ 765,584
TOTAL	\$ 224,265,995	\$ (9,921,916)

As of 12/31/20

Division	Projected YE Actuals	Projected YE Balance
ACADEMIC AFFAIRS	\$ 64,160,481	\$ 244,798
ADMIN AND FINANCE	\$ 16,393,230	\$ (284,132)
ADVANCEMENT	\$ 2,161,757	\$ 2,138,313
INFO TECHNOLOGY	\$ 16,006,230	\$ (4,788,404)
PRESIDENTS	\$ 3,040,298	\$ 752,218
STUDENT AFFAIRS	\$ 9,675,957	\$ 1,102,484
CENTRALLY MONITORED	\$ 104,733,738	\$ (501,334)
<i>Benefits</i>	\$ 48,704,240	\$ (2,337,607)
<i>Utilities</i>	\$ 2,445,508	\$ 1,034,019
<i>Financial Aid</i>	\$ 32,496,001	\$ -
<i>Other CM</i>	\$ 21,087,989	\$ 802,254
TOTAL	\$ 216,171,691	\$ (1,336,057)

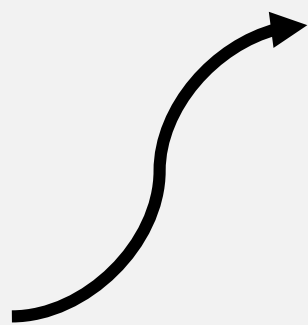


YEAR END PROJECTION



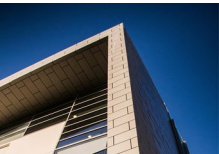
Campus Actuals & Projections (as of 9/30/20)

Base Budget	\$ 193,177,417
Less Projected YE Actuals	\$ 224,265,995
<i>Projected YE Base Balance</i>	<i>\$ (31,088,578)</i>
Plus 1x/Carryforward Balance	\$ 21,166,662 *
Plus CARES Reimbursement	\$ 3,400,000
Projected YE Balance	\$ (6,521,916) *



Base Shortfall	\$ (6,521,916)
One-Time Shortfall	\$ (4,043,764)
<i>Total Campus Shortfall</i>	<i>\$ (10,565,680)</i>
One-Time Tuition	\$ 10,900,000
One-Time Student Success Fee	\$ 675,000
20-21 Projected Campus Net	\$ 1,009,320

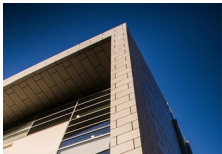
- The 1st Quarter report showed a projected year end surplus for the first time in the 20-21 budget
- The divisions and central budget committed to continue the work of analyzing every resource on campus



Campus Actuals & Projections (as of 12/31/20)

Base Budget	\$ 193,177,417		AADHT Shortfall	\$ 2,263,943
Less Projected YE Actuals	\$ 216,171,691		One-Time Shortfall	\$ (499,198)
<i>Projected YE Base Balance</i>	<i>\$ (22,994,274)</i>		<i>Total Campus Surplus</i>	<i>\$ 1,764,745</i>
Plus 1x/Carryforward Balance	\$ 21,658,217 *		One-Time Tuition	\$ 7,272,375
Plus CARES Reimbursement	\$ 3,600,000		One-Time Student Success Fee	\$ 750,000
Projected YE Balance	\$ 2,263,943 *		20-21 Projected Campus Net	\$ 9,787,120

- One-time needs were reduced by approx. \$3.5M
- Over-enrollment tuition projection decreased by approx. \$3.7M with updated spring enrollment information
- *The campus is overspending. The current over-spending rate would require a carryforward balance of \$23M
- *The Carryforward balance includes funding committed over the next two years

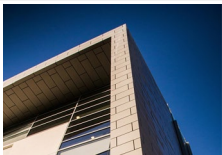
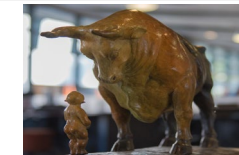
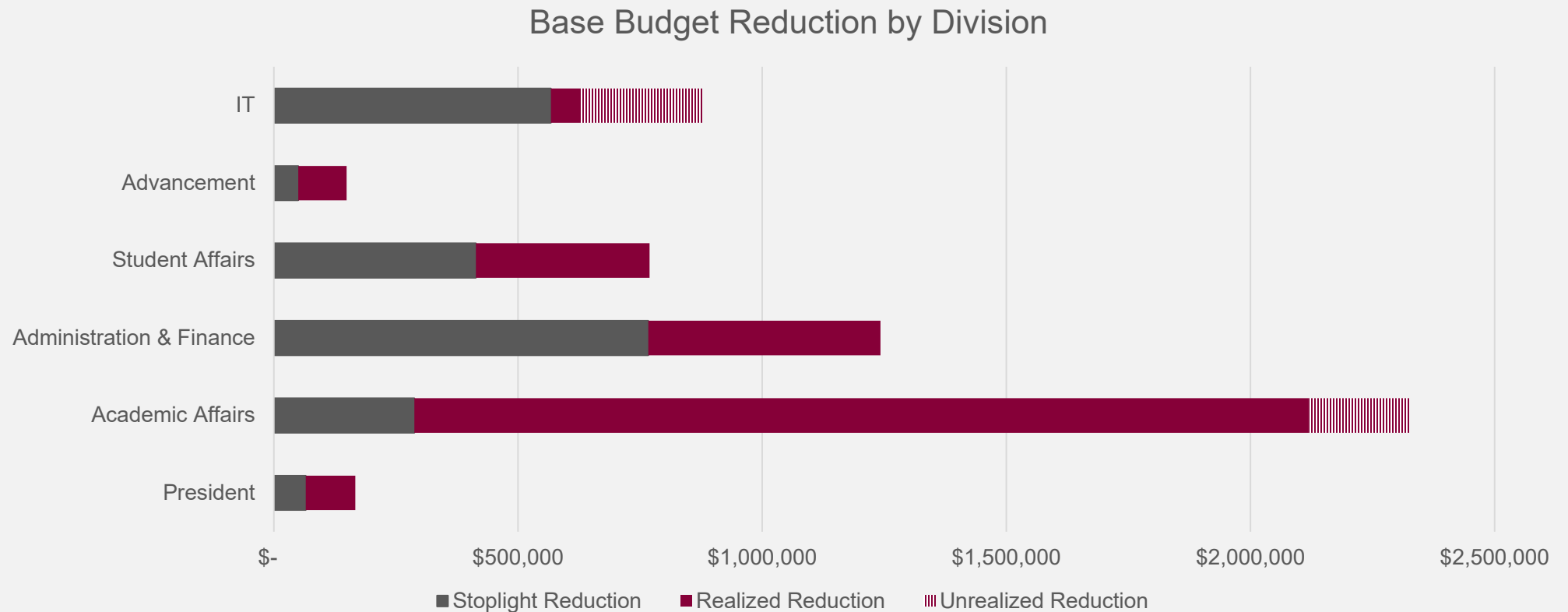


PROGRESS ON ADDRESSING DEFICIT

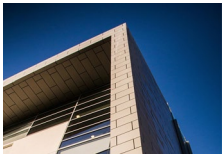


Base Reductions

- The campus started the year with a nearly \$10M deficit to address
- All but \$458k of reductions have been identified



GOVERNOR'S PRELIMINARY BUDGET

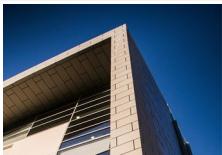


Preliminary Budget



- CSU Budget Planning
- Trustees adopt CSU budget request to be submitted to the Governor
- **Governor's Budget submitted to Legislature**
- Legislative Analyst's budget analysis released
- Governor's May Revision
- State Budget Adopted
• CSU Budget Finalized

- In January the Governor submits the preliminary budget to the CA State Legislature.
- This budget is preliminary, and is subject to the priorities of legislators, but it signals where the Governor would like to invest state resources.



Preliminary Budget



CSU & UC Funding: \$786M

\$425 million: CSU

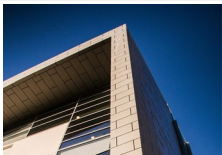
\$200M: Ongoing

\$225M: One time

- **\$175M:** Deferred maintenance
- **\$30M:** Emergency financial aid
- **\$10M:** Computing talent Initiative
- **\$10M:** Professional development

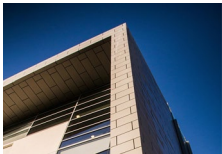
This is partially true.
\$55m is going directly
to CalPERS for
increased health
expenses

DH is part of this
program!



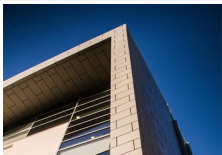
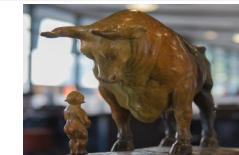
Preliminary Budget

- The Governor's Preliminary Budget allocated \$144.5M in ongoing base to the CSU, as well as \$225M in one-time funding
- CSUDH currently makes up 3.29% of the CSU campus budget
- There has not been any indication how the incremental funding will be allocated to the campuses



Preliminary Budget

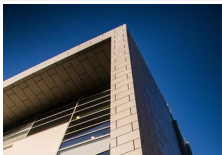
Incremental Expenditure Increases (in millions)	CSU	DH (3.29%)
Base Growth	\$ 111.5	\$ 3.7
Basic Needs (Digital Equity & Mental Health)	\$ 15.0	\$ 0.5
Basic Needs (GI2025)	\$ 15.0	\$ 0.5
Canvas	\$ 2.0	\$ 0.1
CSU Stanislaus, Stockton	\$ 1.0	N/A
TOTAL	\$ 144.5	\$ 4.7



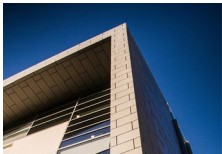
Preliminary Budget

DH will need to start planning for the 21/22 Budget, which will include a structural deficit carried forward from 20/21

Unidentified 20/21 Base Reduction	\$ 458,000
<u>Estimated Base Mandatory Costs</u>	<u>\$1,875,000</u>
Total 21/22 Anticipated Base Need	\$2,333,000

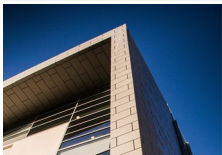


CARES BUDGET UPDATE

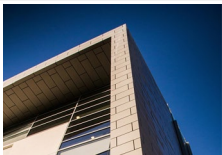


CARES Budget Update

- To date we have drawn down \$3.3M of the first round of CARES Funding. The remainder has been allocated but not yet claimed.
- The Federal Government approved a second round of funding which we are referring to as CARES II
- CARES II is a larger allocation at \$31M
- We are expected to spend at least \$9M on student aid, which is what was spent in CARES I
- Guidance has changed slightly on how funds are to be used and reimbursed- there is a little more flexibility on how funds can be used



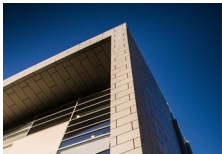
STRATEGIC BUDGETING



What is Strategic Budgeting?

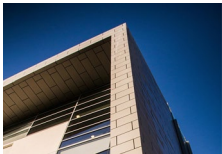
Strategic Budgeting is the process of aligning resources with the university strategic plan and priorities.

Strategic budgeting should be used in achieving both short-term and long-term goals.

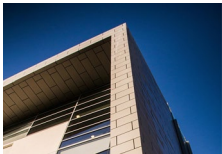
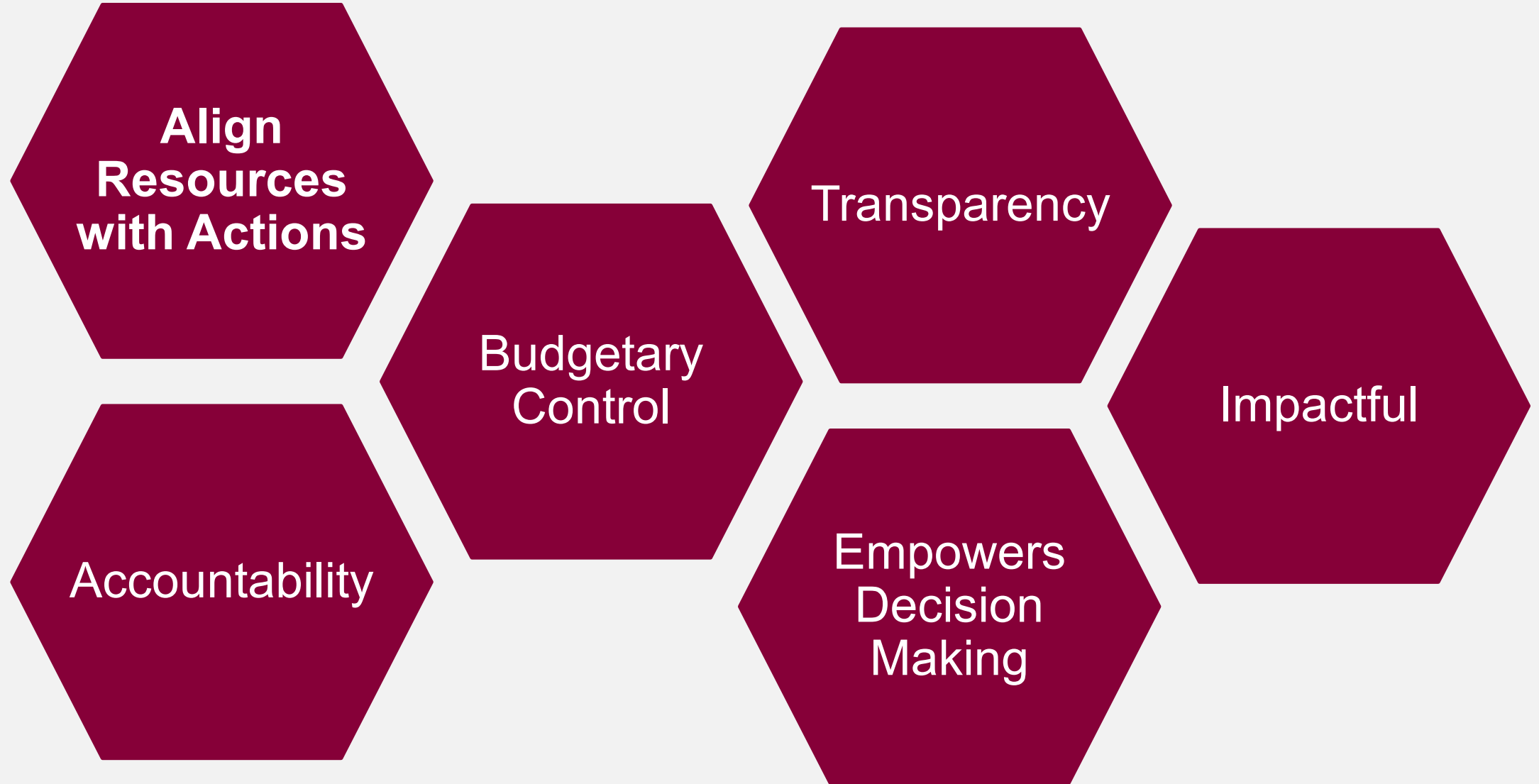


What is Strategic Budgeting?

- Short-term strategic planning: ensuring that expenditures align with the priorities of the campus
 - Examples: re-evaluating positions when made available, program audits
- Long-term strategic planning: planning for larger campus goals, and ensuring continued financial stability
 - Examples: establish a University reserve, create sustainable budgeting practices

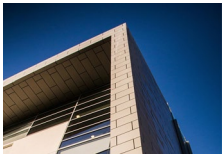


Strategic Budgeting Foundation



Strategic Budgeting Steps

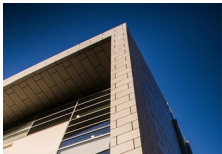
- **Step 1:** Set campus priorities (measurable)
- **Step 2:** Campus makes budget requests tied to priorities in Step 1 for more focused impact
- **Step 3:** Available funding distributed based on budget requests through UBC



SAVE THE DATE: Future Budget Updates

- Monday, March 1st : Budget Lunch & Learn*- Projections and Budget Modeling
- Monday, April 5th : Budget Lunch & Learn*- Topic TBD
- Tuesday, April 20th : Campus Budget Update

*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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