

Campus Budget Update 3rd Quarter Review

April 19, 2023

CSUDH

DIRECTORY

CSUDH

CALIFORNIA STATE UNIVERSITY
DOMINGUEZ HILLS

Agenda

- I. 2022-23 Budget Review
- II. 3rd Quarter Actuals 2022-23
- III. CARES Funding
- IV. 2023-24 Budget Planning



2022-23 Budget Review



2022-23 Budget Highlights - CSUDH

New Ongoing Funds - July	CSUDH
Health & Retirement Mandatory Costs	\$280,000
Compensation Increases	9,510,000
Foster Youth Program	428,000
State University Grant (SUG) Program	214,000
Total	\$12,757,000

August Allocations	CSUDH
Graduation Initiative 2025	\$1,615,000
Student Basic Needs	492,000
Total	\$2,107,000

Grand Total 2022-23 Ongoing **\$14,864,000**

One-Time Funds	CSUDH
Graduation Initiative 2025	\$533,500
Electrical Substation Replacement	2,000,000
La Corte Hall Renewal	809,000
Affordable Student Housing	48,750,000
Total	\$52,092,500



2022-23 Ongoing Dollars – UBC Items

Undesignated Dollars	CSUDH
Strategic Resident Enrollment	\$2,325,000
Graduation Initiative 2025	1,615,000
<u>Total Undesignated Dollars</u>	<u>\$3,940,000</u>

With the additional new ongoing undesignated dollars, we were able to fund the following base items approved by the University Budget Committee (UBC):

- Go Far Together Initiative from Strategic Plan
- 7 Faculty Hires
- Office of Equity and Inclusion Director
- Chief Diversity Officer/VP Funding Gap
- Victims Advocate
- Esports Director



Compensation Impact

- The 2021-22 and 2022-23 compensation packages resulted in **~7%** salary increases for all employees.
- The Chancellor's Office estimated **~\$10.86M** in additional recurring costs for CSUDH (stateside).
- Our calculated estimate is **~\$10.62M** for salary increases.
- Our campus was allocated **\$9.5M** to cover salary increases.



3rd Quarter Actuals



AADHT Actuals and Projections

- We closely monitor the budget 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.
 - 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.



AADHT Actuals and Projections – Preliminary Summary

- Preliminary Summary – not final
- Report of budget and actuals are a snapshot in time
- Does not consider potential one-time costs, cost savings, or closing of purchase orders
- 2022-23 General Salary Increases are reflected in the year-end estimates
- Includes pending HEERF/CARES reimbursements to adjust year-end balances



2022-23 Preliminary Summary – 3rd Quarter – Revenue

- Revenues are projected to be under budget \$1.7M
- Deficit will be recorded within Centrally Monitored

Sources / Revenue	Original Budget	Adjusted Budget	Total Budget	Actuals (July to March)	Projected Actuals	Encumbrances	YE Actuals	YE Balance
State Allocation	\$ 132,053,000	\$ -	\$ 132,053,000	\$ 106,396,973	\$ 25,656,027	\$ -	\$ 132,053,000	\$ -
Student Fees	86,994,000	425,868	87,419,868	83,930,872	-	-	83,930,872	*(3,488,996)
Cost Recovery	3,103,254	1,996,779	5,100,033	5,218,848	1,632,582	-	6,851,430	1,751,397
Other Revenues	-	8,349,884	8,349,884	8,354,450	-	-	8,354,450	4,566
Sub-total	\$ 222,150,254	\$ 10,772,531	\$ 232,922,785	\$ 203,901,144	\$ 27,288,609	\$ -	\$ 231,189,752	\$ (1,733,033)
Balance from Prior Year	-	42,966,383	42,966,383					
Total Sources/Revenue	\$ 222,150,254	\$ 53,738,914	\$ 275,889,168					

***Due to decline in enrollment**



2022-23 Preliminary Summary – 3rd Quarter – Expenses

Uses / Divisions	Original Budget	Adjusted Budget	Total Budget	Actuals (July to March)	Projected Actuals	Encumbrances	YE Actuals	YE Balance	HEERF/ADJ	Adjusted YE Balance
ACADEMIC AFFAIRS	\$ 73,814,563	\$ 4,624,361	\$ 78,438,924	\$ 54,303,849	\$ 19,466,498	\$ 330,880	\$ 74,101,227	\$ 4,337,697	\$ 7,692	\$ 4,345,389
ADMIN AND FINANCE	18,485,469	2,252,585	20,738,055	16,220,734	5,511,388	2,396,692	24,128,814	(3,390,759)	331,899	(3,058,860)
ADVANCEMENT	3,651,654	1,952,667	5,604,321	2,216,706	814,707	406,615	3,438,028	2,166,293	-	2,166,293
INFO TECHNOLOGY	10,755,540	1,521,639	12,277,179	8,657,147	4,330,812	2,128,479	15,116,437	(2,839,259)	1,719,273	(1,119,986)
PRESIDENTS	3,531,292	1,807,034	5,338,326	2,930,976	1,097,260	239,154	4,267,390	1,070,936	-	1,070,936
STUDENT AFFAIRS	13,867,537	3,802,825	17,670,362	11,575,251	3,747,045	943,160	16,265,456	1,404,906	-	1,404,906
Total Divisions	\$ 124,106,055	\$ 15,961,111	\$ 140,067,166	\$ 95,904,663	\$ 34,967,710	\$ 6,444,979	\$ 137,317,351	\$ 2,749,815	\$ 2,058,864	\$ 4,808,679
CENTRALLY MONITORED										
Benefits	\$ 54,642,275	\$ 2,079,668	\$ 56,721,942	\$ 43,538,290	\$ 14,856,961	\$ -	\$ 58,395,251	\$ (1,673,309)	\$ 1,811,000	\$ 137,691
Utilities	3,543,077	1,205,508	4,748,585	2,785,821	1,084,599	55,877	3,926,297	822,288	-	822,288
Financial Aid	34,682,701	4,650,258	39,332,959	28,239,285	5,060,000	-	33,299,285	6,033,674	-	6,033,674
<i>SUG</i>	34,359,000	4,264,786	38,623,786	27,976,485	5,000,000	-	32,976,485	5,647,301	-	5,647,301
<i>EOP</i>	203,715	45,630	249,345	135,800	10,000	-	145,800	103,545	-	103,545
<i>Other Financial Aid</i>	119,986	339,842	459,828	127,000	50,000	-	177,000	282,828	-	282,828
Other Centrally Monitored	5,176,147	29,842,368	35,018,515	6,522,940	1,000,000	659,871	8,182,812	26,835,703	1,962,000	28,797,703
Total Centrally Monitored	\$ 98,044,199	\$ 37,777,802	\$ 135,822,001	\$ 81,086,336	\$ 22,001,560	\$ 715,749	\$ 103,803,645	\$ 32,018,356	\$ 3,773,000	\$ 35,791,356
Total Uses/Divisions	\$ 222,150,254	\$ 53,738,913	\$ 275,889,167	\$ 176,990,998	\$ 56,969,270	\$ 7,160,728	\$ 241,120,996	\$ 34,768,171	\$ 5,831,864	40,600,035
Grand Total AADHT Balance								\$ 33,035,139		\$ 38,867,003

***Preliminary and estimated figures.**



CARES FUNDING



CARES Funding

- In March 2020 Congress authorized the Coronavirus Aid, Relief, and Economic Security Act (CARES)
- The portion of these funds were deposited into the Higher Education Emergency Relief Fund (HEERF), and distributed to universities across the country
- There have been supplemental appropriation bills that have been passed with different names, but these funds are included under the umbrella of “CARES”



CARES Funding

- CSUDH received an additional allocation as a Minority Serving Institution. This additional funding is called the “MSI Portion”
- CARES requires that half of the funding allocated to the campus is distributed directly to students in the form of Emergency Aid Grants
 - (CARES II only required 30% to be allocated to Emergency Aid Grants)
- The remaining funding is the “Institutional Portion” of the grant, which can be used for COVID- related expenses on campus.
- These funds are 1x in nature, so they can’t be used for any on-going expenses



CARES Funding

There are many sets of guidelines, but essentially these funds can only be used for expenses that are directly related to the pandemic in two ways:

- 1) COVID-related health and safety on campus. This means expenses like protective equipment and testing. General health and safety (like the Student Health Center) are not applicable.
- 2) Change in instruction to a virtual environment. The expenses are only applicable if it's directly related to moving into a virtual environment, and the campus wasn't doing it *before* the pandemic.



CARES Extension

Source: Federal Register (as of 4-4-2022)

SUMMARY: The U.S. Department of Education (Department) is issuing this notice regarding the automatic extension of HEERF grantees' performance period. The performance period for all open HEERF grants with a balance greater than \$1,000 is extended through June 30, 2023.

DH Received Official Notice on 4-7-2022

The Higher Education Emergency Relief Fund (HEERF) provided approximately \$76 billion for institutions of higher education (IHEs). As a necessary lifeline, the HEERF continues to support over 5,000 IHEs and millions of students in meeting the urgent public health needs to prevent and respond to the Coronavirus pandemic.

- **Automatic Extension of Performance Period**

The Department posted a Federal Register Notice regarding the automatic extension of HEERF grantees' performance period. The performance period for all open HEERF grants with a balance greater than \$1,000 is extended through June 30, 2023. Institutions do not need to take any actions to receive this extension.



CARES – Drawdown Update

	CARES I	CARES II	CARES III	TOTAL
Allocation- Institutional Funds	\$ 9,240,638	\$ 22,602,924	\$ 27,753,307	\$ 59,596,869
Allocation- MSI Funds	\$ 1,312,563	\$ 1,980,621	\$ 3,358,845	\$ 6,652,029
Student Grants	\$ 9,240,639	\$ 9,240,639	\$ 28,183,267	\$ 46,664,545
Total Allocation	\$ 19,793,840	\$ 33,824,184	\$ 59,295,419	\$ 112,913,443
<i>(Less Student Grants)</i>	<i>\$ (9,240,639)</i>	<i>\$ (9,240,639)</i>	<i>\$ (28,183,267)</i>	<i>\$ (46,664,545)</i>
Available Institutional Portion	\$ 10,553,201	\$ 24,583,545	\$ 31,112,152	\$ 66,248,898
Drawn Down	\$ 10,553,201	\$ 24,583,545	\$ 20,986,521	\$ 56,123,267
Pending Drawdown*	\$ -	\$ -	\$ 10,125,631	\$ 10,125,631
Under Review	\$ -	\$ -	\$ -	\$ -

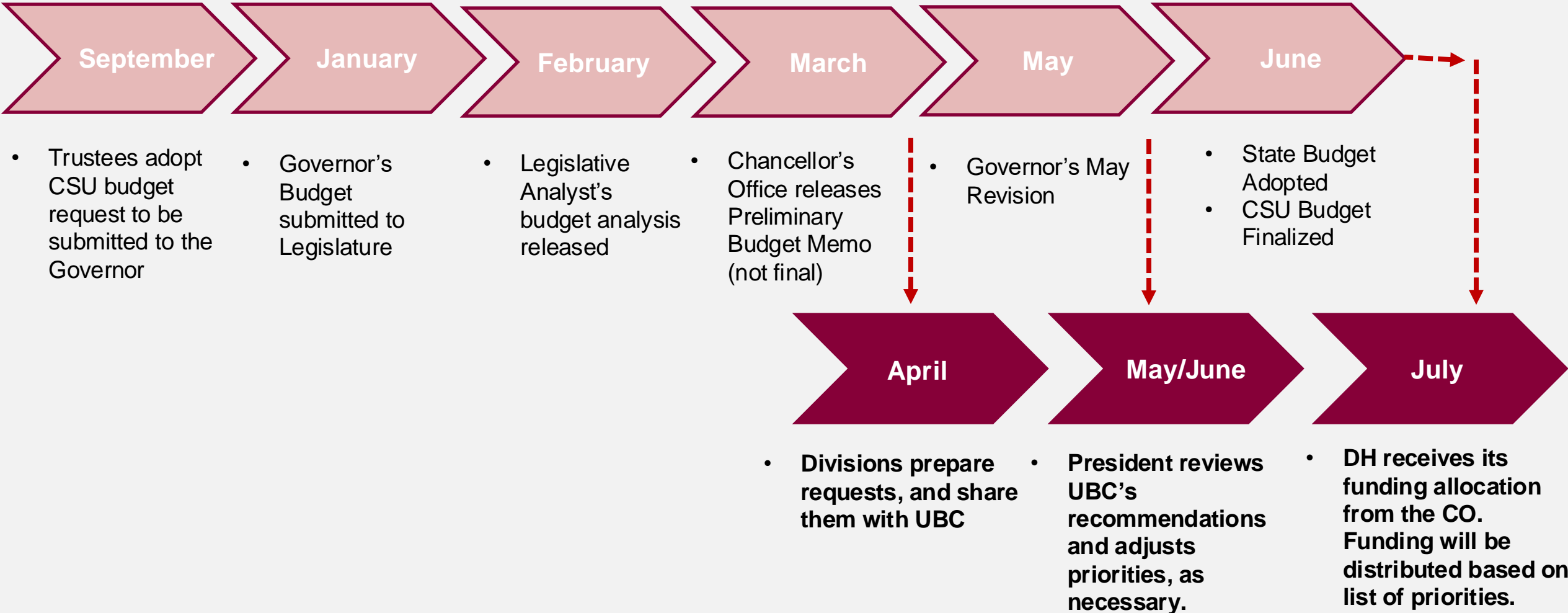
*Campus has received an approved drawdown schedule from the Department of Education.
All funds will be drawn down by June 30, 2023



2023-24 BUDGET PLANNING



2023-24 Budget Timeline



FY23-24 Preliminary Budget Allocations

- January Governor's Budget Proposal included a \$227.3M unallocated increase to CSU's Operating Fund Budget.
- The Budget reflects a multi-year compact that provides substantial and sustained funding increases to CSU in exchange for commitments to expand student access, equity, and affordability, and to create pathways to high-demand career opportunities
- March Preliminary Memo distributed a portion of proposed increase, \$70.3M
- All other funding proposals as well as additional operational and mandatory cost allocations will be made after the budget is finalized in June.



2023-24 Preliminary Budget Allocation

Incremental, New Expenditures (in millions)	CSU	DH Preliminary
Health Premiums	\$50.5	\$1.5
New Facilities	6.0	0.0
Property & Liability Insurance Premiums	13.7	0.5
Unallocated items	157.1	0.0
<i>Enrollment Growth</i>	34.6	
<i>Graduation Initiative 2025</i>	30.0	
<i>2023-24 Compensation Packages</i>	92.5	
Total Expenditures	\$227.3	\$2.0



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