

BUDGET LUNCH & LEARN



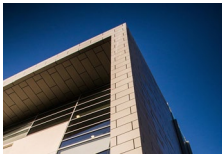
Historical Timeline & Impacts to CSUDH

October 10, 2024

CSUDH

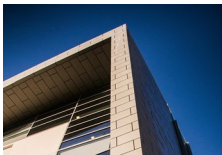
Budget Lunch & Learn is a series of conversations on campus to discuss the background and health of budget at CSUDH.

Today, we will cover a 5-Year Fiscal Historical Timeline and discuss how recent budgetary decisions have impacted CSUDH.

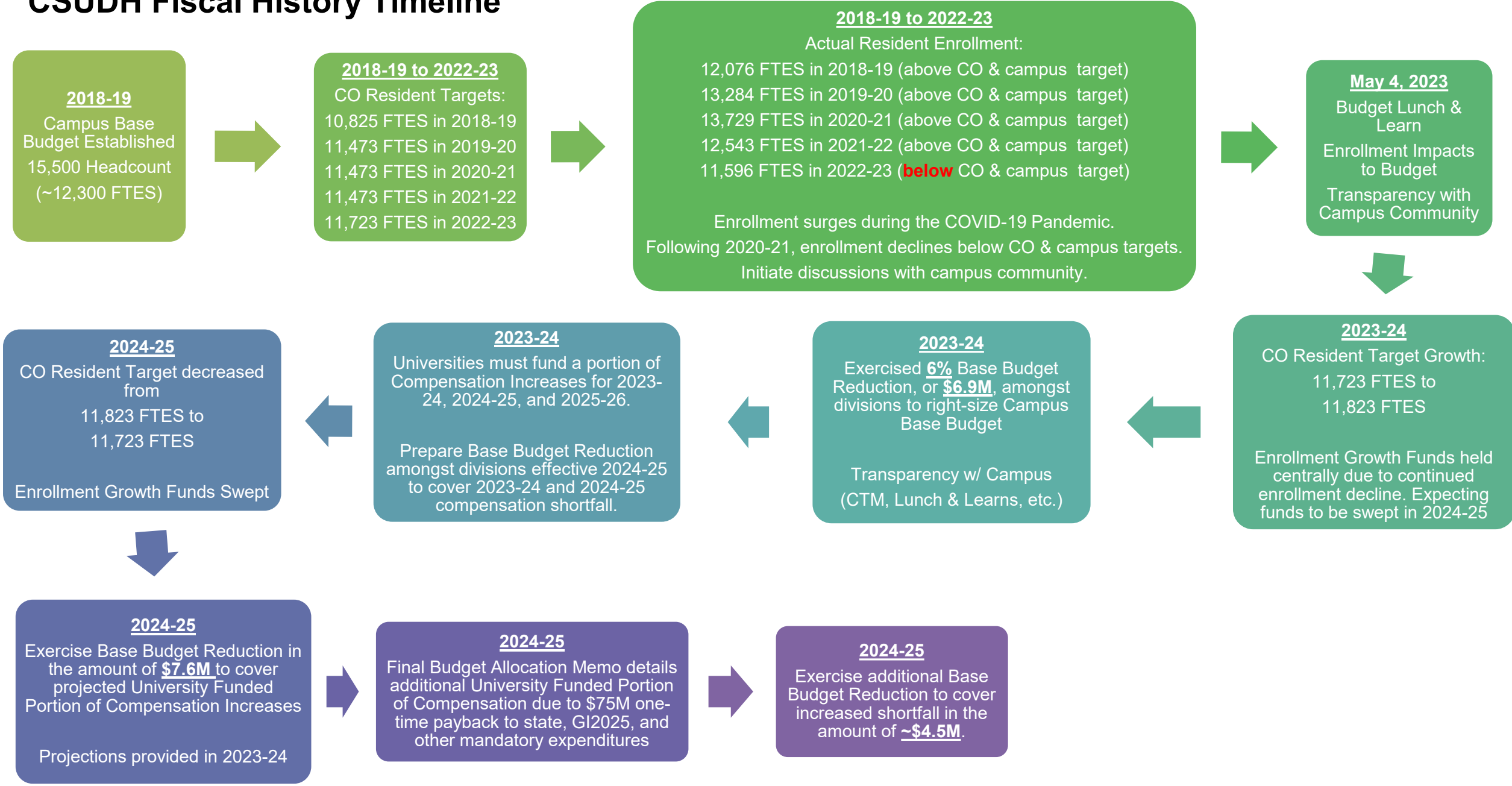


DEFINITIONS

- **AADHT** – Dominguez Hills Operating Fund funded from state appropriation and student tuition & fees; state-supported instruction, related programs, and operations
- **FULL-TIME EQUIVALENT STUDENTS (FTES)** – Enrollment value considering student unit load (full-time / part-time)
- **HEADCOUNT** – Number of Individual Students
- **BASE** – Permanent or ongoing uses; Fixed costs (e.g. state appropriation, tuition revenue; permanent salaries & benefits)
- **ONE-TIME** – Temporary uses; Opposite of ongoing or base (e.g. reserves, carryforward; temporary/emergency hires; start-up costs)
- **STUDENT FEES** – Charges assessed to students to cover specific costs associated with their education
- **XYZ ENROLLMENT ‘REBENCHING’ FORMULA** – CSU Enrollment Target and Budget Reallocation Plan to achieve or exceed systemwide targets; Movement of enrollment targets and associated ongoing resources amongst CSU campuses based on resident enrollment levels

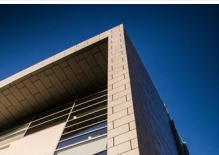


CSUDH Fiscal History Timeline



The Convergence:

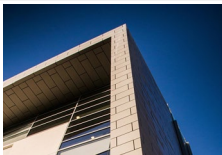
- Declining enrollments
- Funding shortfall for the compensation packages
- Governor's Compact changes
- Mandated cost increases
- Inflation and economic uncertainty



CSUDH Budget Reductions

	Starting Original Base Budget
Divisions	2023-24 Beginning Base Budget
ACADEMIC AFFAIRS	\$ 73,815,563
ADMIN AND FINANCE	18,485,469
ADVANCEMENT	3,650,654
DEIJ	447,948
INFO TECHNOLOGY	10,755,540
PRESIDENTS	3,083,344
STUDENT AFFAIRS	13,642,169
Division Total	\$ 123,880,687
BENEFITS POOL	\$ 54,867,643
Grand Total	\$ 178,748,330

Phase 1	Phase 2	Phase 3	
Right sizing enrollment decline	Shortfall in Comp Packages	\$75m state reduction & enrollment right sizing	
2023-24 6% AADHT Base Reduction	23-24 and 24-25 \$7.6M AADHT Base Reduction	2024-25 \$4.5M AADHT Base Reduction	TOTAL AADHT REDUCTIONS
\$ (4,458,000)	\$ (4,282,640)	\$ (2,676,340)	\$ (11,416,980)
(978,000)	(786,761)	(662,823)	(2,427,584)
(138,000)	(279,689)	(123,785)	(541,474)
-	(38,525)	(20,369)	(58,894)
(528,000)	(468,352)	(392,077)	(1,388,429)
(174,000)	(111,316)	(112,335)	(397,651)
(648,000)	(293,967)	(512,271)	(1,454,238)
\$ (6,924,000)	\$ (6,261,250)	\$ (4,500,000)	\$ (17,685,250)
\$ -	\$ (1,383,592)	\$ -	\$ (1,383,592)
\$ (6,924,000)	\$ (7,644,842)	\$ (4,500,000)	\$ (19,068,842)



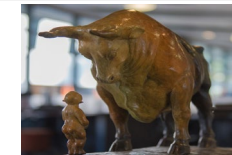
Shortfall in Compensation Packages



(in millions)

	23/24	24/25	25/26	Total
Cost of 5% Increase	\$261	\$277	\$291	\$829
Compact Funds for Comp	\$123	\$68	\$112	\$303
Campus funds needed	\$138	\$209	\$179	\$526
Tuition Rate Increase	\$0	\$99	\$105	\$204
Campus Funds Needed	\$138	\$110	\$74	\$322
University Estimate				
Dominguez Hills	4,250,000	3,388,000	2,279,000	9,917,000

2023-24 & 2024-25 Total Compensation Shortfall = \$7,638,000



Shortfall in Compensation Packages

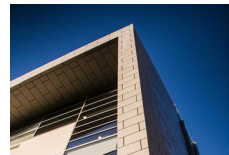
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Actual Cost to CSUDH	\$4,119,046	TBD	TBD
Funding Gap	\$130,954	TBD	TBD



Impacts to CSUDH – Personnel Reductions

- **Course reductions / Funding for Classes**: threatens our ability to offer students the courses they need to make progress to graduation, impacting retention and graduation rates

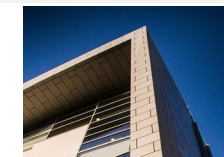
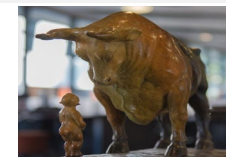
College of Arts & Humanities	College of Business Admin & Public Policy	College of Education	College of Natural & Behavioral Sciences
College of Health, Human Services & Nursing	University Library	Enrollment Management	Innovation Incubator
Athletics	Toro Learning & Testing Center	Outreach & Recruitment	Academic Advising & Career Development
Planned Giving	Service Learning	Procurement	Writing Center
Alumni Engagement Programs	I.T. Security	Public Safety	Grounds Maintenance
Custodial Services	Cashiers Services	IT Programming	Social Media & Web Communications

**Management Positions; Staff Base Funded Vacant Positions; and Student Assistant Positions*



Impacts to CSUDH – Personnel Reductions

CSUDH Area	Impacts to Campus
IT Security	Security Cloud Architect heightens the risk of cyberattacks, data breaches, and other security vulnerabilities
Planned Giving	Reduces outreach and potential donations from prospective donors
Academic Advising & Career Development	Limiting staff support to assist students in achieving educational goals
Grounds Maintenance & Custodial Services	As our campus grows and continues to expand, risking the upkeep and maintenance of buildings and campus grounds
Athletics – External Relations	Impacts our ability to generate external revenue, manage branding and marketing efforts effective, and cultivate major gifts and support for our annual fund
Outreach & Recruitment	Limiting the ability to fill gaps in visiting high schools, assisting admitted students to campus resources.



Impacts to CSUDH – Operational

Support Instructional Activities & Travel for students, staff, and faculty

Reducing operating hours (e.g. University Library)

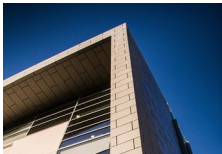
Reduce Fundraising Efforts

Reduce the number of University Events and Sponsorships

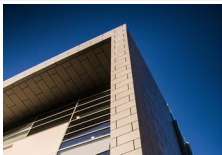
Professional Development for staff

Reduced ongoing funds for Deferred Maintenance and Grounds Maintenance

Project prioritization



2025-26 Next Steps



2025-26 CSU Budget Planning - Priorities

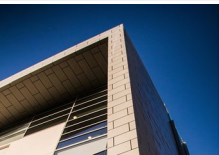
The Board of Trustees met in September where they discussed the proposed 2025-26 Budget **Request** to the State of California.

The 2025-26 CSU Budget **Request** outlines both the mandatory/inevitable cost increases as well as aspirational items and investments for long-term sustainability.

State leaders expressed their intent to reduce the CSU's general fund by 7.95% or \$397 million.

Although the request implies additional funds from the state, campuses should plan for the reduction.

BASELINE COMMITMENTS (in millions)		\$164
	State University Grant – Tuition Rate Increase	55
	Health Premiums	60
	Maintenance of New Facilities	7
	Liability & Property Insurance Premiums	10
	Utilities	32
ESSENTIAL PRIORITIES (in millions)		\$429
	Student Success / Graduation Initiative	20
	Beyond Completion Project	2
	Student Access & Enrollment (Enrollment Growth)	56
	State University Grant – Enrollment Increase	8
	Faculty & Staff Compensation Pool	296
	Title IX and NAGPRA Compliance Programs	11
	Student Basic Needs & Mental Health	5
	CSU Artificial Intelligence Initiative	7
	Capital Infrastructure Investments	25



2025-26 CSU Budget Planning (in millions)

	CO Plan
TUITION FROM RATE INCREASE	\$164
TUITION FROM ENROLLMENT GROWTH	0
STATE GENERAL FUND CUT	-397
TOTAL NEW SOURCES	-\$233
BASELINE COMMITMENTS	\$164
ESSENTIAL PRIORITIES	\$0
TOTAL NEW PRIORITIES	\$164
BUDGET GAP / REPRIORITIZATION	-\$397

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2025-26 CSUDH Most Likely Scenario

CO Plan; CSU endures \$397M cut and utilize additional tuition revenue from the rate increase to cover Baseline Commitments; Excluding pending 2025-26 compensation increases

CSUDH Campus Shortage	CSU Amount	Projected %*	CSUDH Portion
7.95% CSU GF Cut	\$(397,000,000)	3.05%	\$(12,101,000)
Health Premium	(60,000,000)	2.98%	(1,786,000)
Insurance Premium	(10,000,000)	3.89%	(389,000)
Utilities	(32,000,000)	2.98%	(953,000)
Maintenance of New Facilities	(7,000,000)	0.00%	-
Tuition Rate Increase	164,000,000	3.02%	4,945,000
SUG - Tuition Rate Increase	(55,000,000)	4.23%	(2,328,000)
CSUDH Campus Shortage Total	\$(397,000,000)	3.36%	\$(12,612,000)

*Projected % is estimated from previous campus distributions of respective line items.



Here is what we did...

Exercised budget reductions to address the following:

- 1) Right-sizing campus to appropriate enrollment levels
- 2) University-funded portion of compensation packages for 2023-24 & 2024-25
- 3) Mandates due to State of California Compact funding

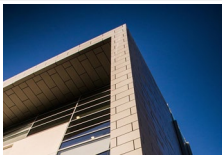
Budget reduction strategy:

- 1) Cut to base vacant and funded staff positions; and management positions
- 2) Non-tenure track faculty pool
- 3) Operational expense reduction (travel, professional development, student assistants)

Here is where we are and what we are doing...

Engage with campus community in budgetary discussions, exchange of ideas, transparency, and collaboration.

Monitoring updates from the State of California and Chancellor's Office.



QUESTIONS



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<https://www.csudh.edu/budget-plan-admin/>

