

University Budget Committee

September 30, 2021

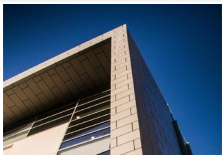
CSUDH

DIRECTORY

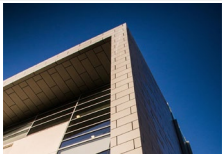
CSUDH

CALIFORNIA STATE UNIVERSITY
DOMINGUEZ HILLS

- I. Introductions and Review Charge
- II. 2020-21 In Review
- III. CSUDH Budget Process
- IV. 2021-22 Budget
- V. Q&A



INTRODUCTIONS AND REVIEW CHARGE



UBC Voting Members

Ex Officio Voting Members:

Michael Spagna

Deb Wallace

William Franklin

Chris Manriquez

Deborah Roberson

Scott Barrett

Division

Academic Affairs

Administration and Finance

Student Affairs

Information Technology

Office of the President

University Advancement

6 Colleges x 1 Faculty

6 Ex Officio

3 Students

1 Library

1 Non-MPP Staff

Appointed/Elected UBC Members

Rama Malladi *

Jonathan Molina ~~Mancio~~

Christopher Hendrix

Vacant

Kate Fawver**

Edward Cleek (serving 2nd term)

~~Sonal Singhal~~

Lisa Hutton

Wendolyn Vermeer

Elwin Tilson (serving 2nd term)

Adrienne Gutierrez

Term

Chair 1st of 3 Yr.

Appointed annually

Appointed annually

Appointed annually

1st of 1 Yr.

2nd of 3 ~~Yr~~

1st of 2 Yr.

2nd of 2 Yr.

1st of 2 Yr.

2nd of 2Yr.

1st of 2 Yr.

Representing

Presidential Appointee (Faculty) & Business Administration & Public Policy

Associated Students

Associated Students (appointed by ASI President)

Associated Students (appointed by ASI President)

Past UBC Chair & Arts & Humanities

Extended and International Education

Natural and Behavioral Sciences

Education

University Library

Health, Human Services, and Nursing

Presidential Appointee (Non-MPP) Staff Member

* Chair also serving year 2 of 3 as Business Administration & Public Policy representative

** Kate Fawver serving 1 year as Past Chair and Arts & Humanities representative

Non-Voting Division Budget/Fiscal Officer

Ken O'Donnell

Vacant (*Wayne Nishioka*)

Jacqueline Kuenz

Susan Sanders

Cecily McAlpine

Hadia El-Bardisy

Staff Support to the UBC

Katie Robinson

Representing

Academic Affairs

Administration and Finance

Information Technology

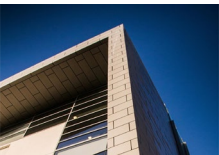
Office of the President

Student Affairs

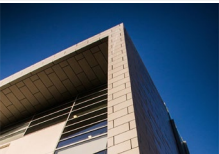
University Advancement

Title

University Budget Director

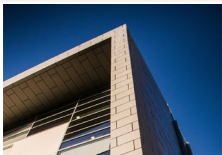


Mission. The University Budget Committee (UBC) shall receive, review, and make recommendations to the President concerning budgets, enrollments, and strategic and divisional plans at California State University Dominguez Hills (“the university”).



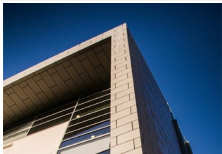
Perspective and Scope of Responsibility. In undertaking its work, the UBC shall apply university-wide rather than divisional perspective in analyzing, considering, and recommending resource allocations.

- A. The UBC will review university budget reports including but not limited to prior year division budgets to actual expenditures, prior year commitments, and prior year carry-forward balances.
- B. The UBC may consider whether resource allocation to existing areas should or should not be continued, as necessary. The UBC may request additional information from divisions as UBC determines appropriate to assist in decision-making (i.e., non-state funds, trust accounts, auxiliary fund, etc.)
- C. The UBC recommendations regarding new baseline and one-time funding allocations and reallocation of existing resources shall consider: (1) budget information and projections provided by the Vice President for Administration and Finance/Chief Financial Officer; (2) university enrollment reports and forecasts; (3) divisional needs and priorities as articulated by division heads; (4) the university strategic plan; (5) academic plans as articulated by the Provost and Vice President of Academic Affairs; and (6) the university's student success framework.



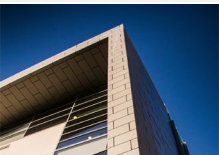
Procedures. The UBC shall receive from each division head reports and forecasts related to expected revenues from all sources, mandatory and continuing expenditure commitments, proposals for priority expenditures on both multi-year baseline and one-time basis; proposed changes or additions to academic plans; and the university's plans for student success.

A. **Not later than April 1 each year**, the **UBC shall forward** to the President **recommendations for the university's expenditure plan for the subsequent year**, taking full account of the reports and presentations from each division head and the President and reflecting a university-wide perspective.

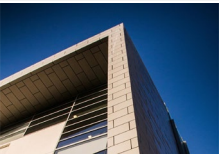


Town Hall Meetings. The President and Vice President for Administration and Finance/Chief Financial Officer shall hold open Budget Town Hall Meetings for the campus at least once a year to provide faculty, staff, and students and overview of the university budget.

Budget Presentations/Information. Budget presentations/information provided to the UBC shall be posted to the UBC website. The UBC also may elect to post summaries of discussions held during UBC meetings to the web site.

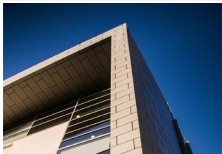


October 21 st :	Share budget request form with UBC
November 18 th :	VP budget discussions to prioritize budget requests
February:	UBC review of budget requests
March:	Approval of Budget Recommendations to President

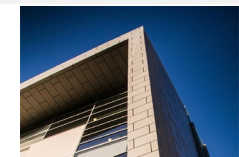
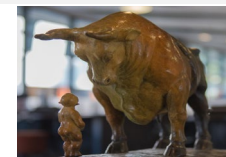


As a member of UBC you are expected to:

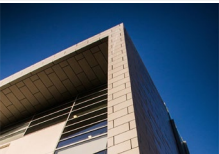
- Come to meetings prepared and review documents beforehand
- Ask questions and request information if needed
- Share information with respective constituent groups



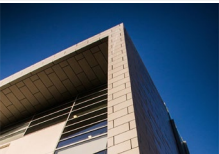
2020-21 IN REVIEW



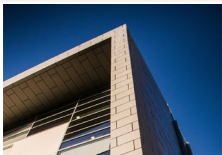
- Started the year with campus base shortfall of **\$9.9M** and **\$15M** in anticipated one-time expenses
- Budget planning was guided by five assumptions:
 - Protecting the health and safety of the campus community at all costs
 - Maintaining the integrity of the academic enterprise
 - Attending to 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



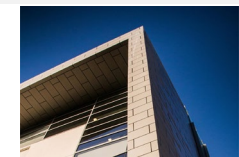
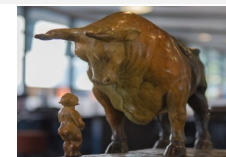
- CSUDH implemented several solutions to reduce the campus deficit:
 - Eliminated \$5.3M in vacant positions (Stoplight Review Model) (**Base**)
 - Early Exit Program (1x)
 - Centralized savings associated with travel and memberships (1x)
 - Reduced temporary and student hires (1x)
 - Utilized 50% of one-time reserve (1x)
 - Leveraged CARES Act Funding (1x)
 - Leveraged All-Funds Budgeting, including prior year balance (1x, **Base**)
 - Leveraged external funding (1x, **Base**)
 - The new Budget Memo allocation formula benefitted underserved campuses such as CSUDH
 - The campus received funding for construction and operational needs



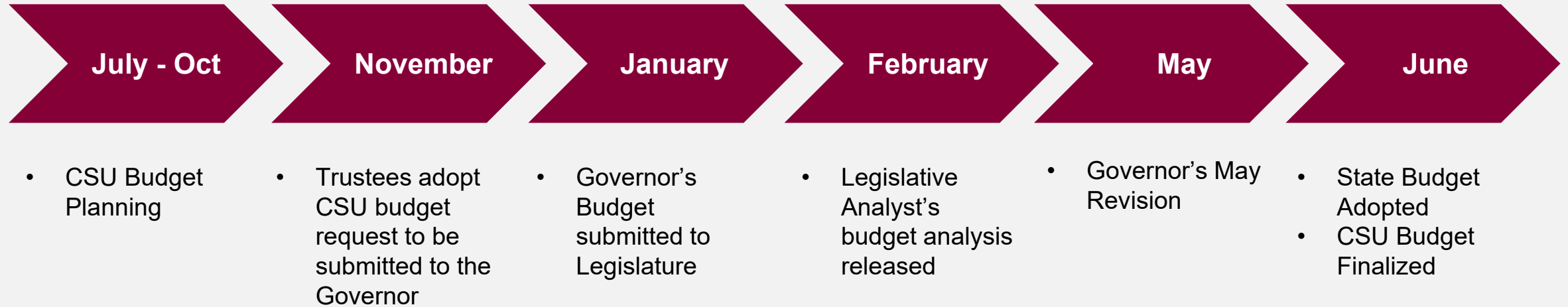
- CSUDH strategically scheduled decisions around the budget calendar to minimize duplicated efforts or extra reductions.
- The outcome is we were able to make it through the budget cuts with **no layoffs or furloughs**.
- Successfully leveraged other funding to maintain reserve levels for future years and bridge 1x budgetary needs.
- We also increased financial transparency, literacy, and communications through quarterly budget updates and Lunch & Learns, in addition to the annual Budget Town Hall.



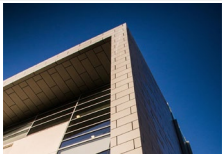
CSUDH BUDGET PROCESS



State Budget Cycle

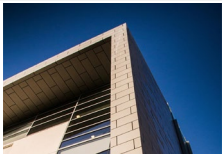
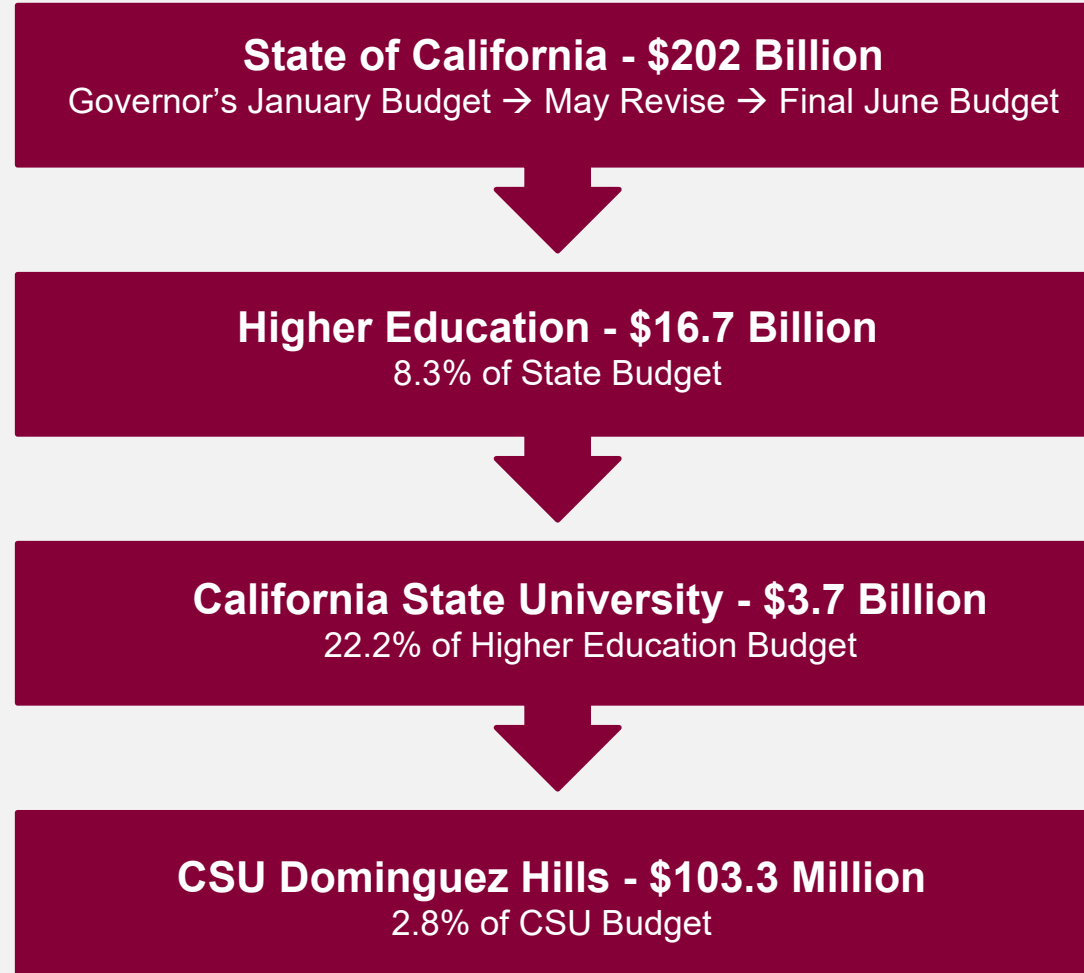


- The entire budgeting process takes about a year, but a guaranteed budget in June is a relatively recent development!
 - In 2010 a ballot measure passed that required legislators receive docked pay unless a balanced budget was passed by the June 15th deadline outlined in the California Constitution.
 - Prior to that ballot measure, it was typical to receive a state allocation in September, or sometimes even November of the funding year.



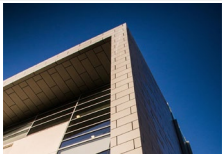
State Budget Allocation

2020-21 Amounts



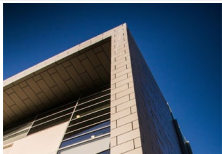
Campus Budget Allocations

- **The Campus allocation process varies based on whether the allocation from the Chancellor's Office has a specified use**
- If an allocation is made for mandatory costs, a specific program, maintenance/repair, the University Budget Office will allocate the funding to the appropriate fund/department
- If an allocation is made for compensation, HR will develop a plan based on CSU guidelines, and Budget will distribute funding accordingly

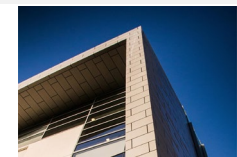
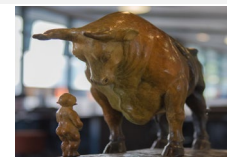


Campus Budget Allocations

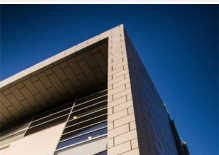
- **If an allocation from the CO does not have a specific designation, the University Budget Committee (UBC) allocates additional funding to the campus**
 - 1) Divisions make requests to UBC
 - 2) UBC reviews requests, and sends a funding recommendation to the President
 - 3) The President approves the final budget allocations
 - 4) The Budget Office allocates funding to divisions
- UBC is an advisory committee, so the President may approve a different budget allocation as deemed necessary
- UBC makes recommendations to the President (April) before the budget allocation to the campus (mid-July)



2021-22 BUDGET



- The Chancellor's Office sent the Budget Allocation Memo on July 13, 2021
- CSUDH received a General Fund increase of approximately \$16M
- The majority of the funding is designated for a specific purpose, or is associated with the prior year budget restoration



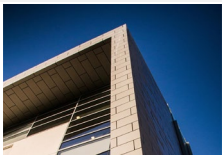
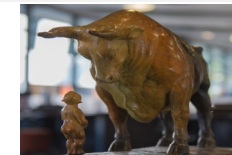
PY Restoration	\$	8,785,000
Mandatory Costs	\$	(356,000)
Designated New Funds	\$	6,046,000
Undesignated New Funds	\$	1,428,000
Total New Allocation	\$	15,903,000

- The Prior Year Restoration is a restoration of the budget that was cut in the 20-21 Budget year
- The \$9.9M base cut the campus absorbed also included campus specific reductions- this amount only represents the state reduction
- This funding was allocated by UBC to activities that had their budgets reduced, but could not be permanently eliminated



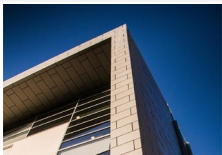
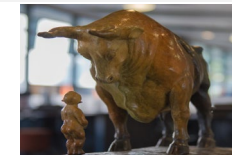
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- Mandatory Costs represent expenses that are increased outside of our control. These are most commonly associated with employee benefits and insurance premiums.
- Allocations for Mandatory Costs tend to lag a year behind actuals, so the DH budget was actually reduced for benefits since they were less expensive in 2019-20
- Mandatory Costs live within the Centrally Monitored division



PY Restoration	\$	8,785,000
Mandatory Costs	\$	(356,000)
Designated New Funds	\$	6,046,000
Undesignated New Funds	\$	1,428,000
Total New Allocation	\$	15,903,000

- Designated New Funds are funds which are allocated to the campus for a specific purpose, and are allocated to the corresponding division. These new funds include:
 - \$2.205M for New Space. DH is preparing to open two new academic buildings, so the Chancellor’s Office provides funding to operate those spaces
 - \$1M to permanently support the Dymally Institute (previously funded from 1x)
 - \$2.169M increase to the State University Grant program- these funds are allocated to students as Financial Aid
 - \$672k to help the campus integrate ethnic studies into graduation requirements



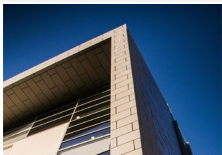
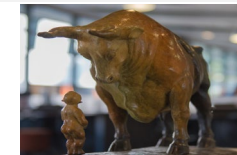
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Mandatory Costs	\$	(356,000)
Designated New Funds	\$	6,046,000
Undesignated New Funds	\$	1,428,000
Total New Allocation	\$	15,903,000

- Undesignated Funds is the amount allocated to the campus without a specific use
- These funds are allocated to Divisions based on an UBC approved list. This list prepared and prioritized based on need and campus priorities.
- Campus Administrators lobbied heavily to change the allocation methodology to reflect student demographics- this resulted in the DH share of new funding to increase from 3.3% to 4.5%!



PY Restoration	\$	8,785,000
Mandatory Costs	\$	(356,000)
Designated New Funds	\$	6,046,000
Undesignated New Funds	\$	1,428,000
Total New Allocation	\$	15,903,000

- We had originally anticipated that the COVID-related recession could last up to three years- restored funding after one year is an unexpected surprise!
- Although the campus budget is increasing by almost \$16M, only \$1.4M can be used to advance campus priorities
- \$1.4M will only put a dent in needs of the campus which continues to be heavily under-resourced



PY Restoration	\$	8,785,000
Mandatory Costs	\$	(356,000)
Designated New Funds	\$	6,046,000
Undesignated New Funds	\$	1,428,000
Total New Allocation	\$	15,903,000

One-Time Allocation	\$	63,352,000
Infrastructure Projects	\$	60,000,000
Emergency Grants	\$	1,365,000
Faculty Professional Dev.	\$	300,000
Support of GI 2025	\$	1,687,000

- **Notably, CSUDH also received \$63M in one-time funds**
- \$60M is allocated for infrastructure improvements
- \$1.365M is allocated to students as Emergency Financial Assistance Grants
- \$300k is allocated for Faculty Professional Development
- \$1.687M is allocated in support of Graduation Initiative 2025
- These funds are one-time in nature and as such cannot be used for recurring expenses such as permanent positions



State Budget Allocation

2011-12 Amounts

State of California - \$129 Billion
Governor's January Budget → May Revise → Final June Budget



Higher Education - \$11.1 Billion
8.6% of State Budget



California State University - \$2.2 Billion
23.3% of Higher Education Budget



CSU Dominguez Hills - \$59.8 Million
2.7% of CSU Budget

2021-22 Amounts

State of California - \$196 Billion
Governor's January Budget → May Revise → Final June Budget



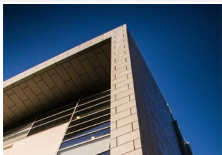
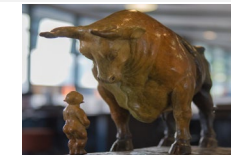
Higher Education - \$21.2 Billion
10.8% of State Budget



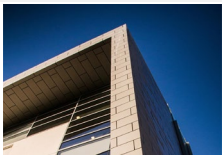
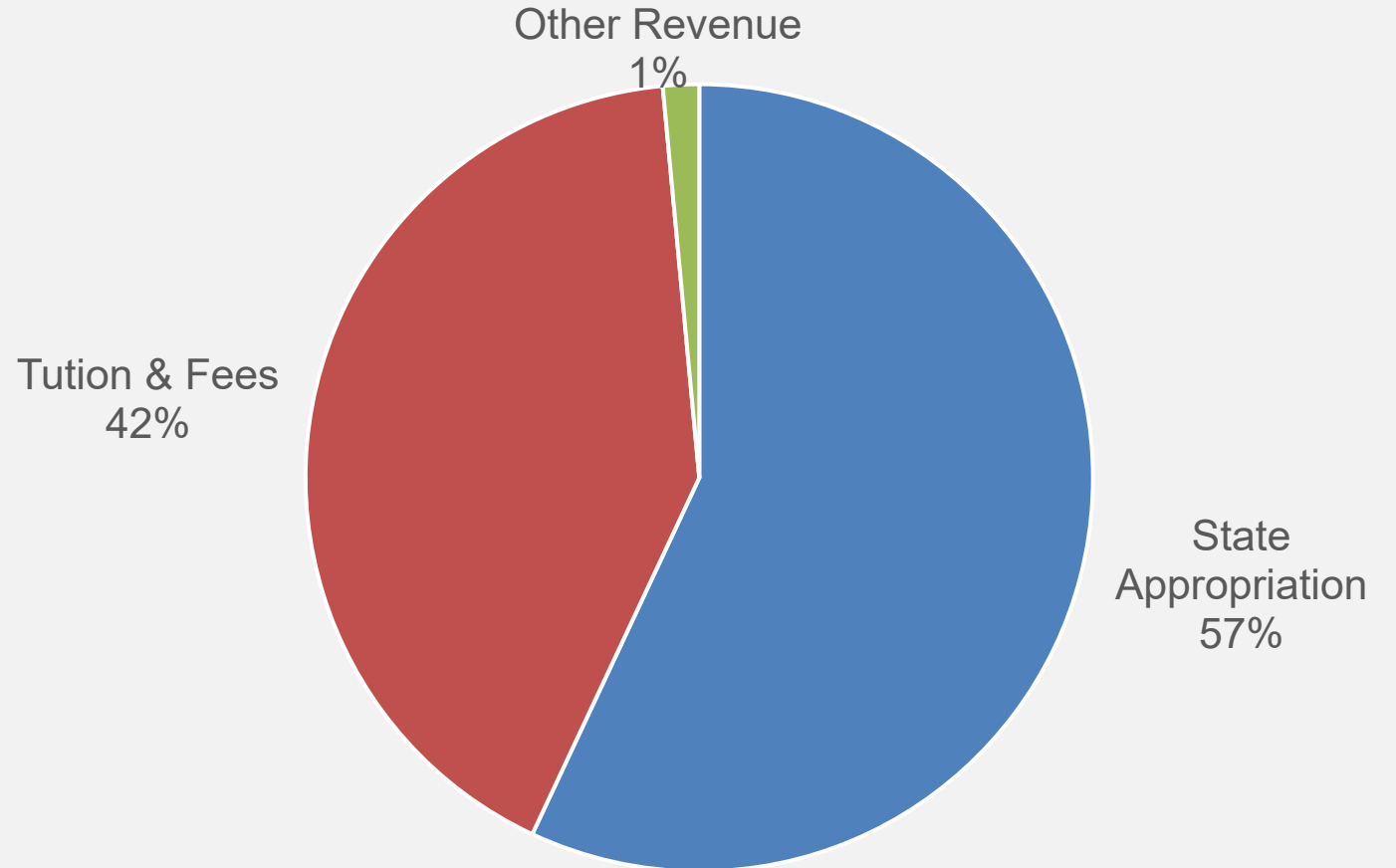
California State University - \$4.2 Billion
19.8% of Higher Education Budget



CSU Dominguez Hills - \$119.3 Million
2.8% of CSU Budget

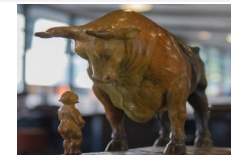


- While there is considerable focus on the state appropriation, it only makes up a little over half of the campus Operating Fund budget
- The Operating Fund is not the *entire* campus budget, but it is the largest portion intended to support the immediate instruction and support activities.



21-22 CSUDH Budget

	20/21 Base Budget	21/22 Base Budget	Change Over PY
Revenues			
State Appropriation	103,393,000	119,296,000	15,903,000
Resident Tuition	84,779,000	84,779,000	-
Non-Res Tuition	1,540,000	1,540,000	-
Application Fee	650,000	650,000	-
CSURMA Refund	0	150,000	150,000
Late Registration Fee	25,000	25,000	-
Cost Recovery	2,790,417	2,953,254	162,837
TOTAL	\$ 193,177,417	\$ 209,393,254	\$ 16,215,837
Academic Affairs	62,332,372	67,375,692	5,043,320
Admin and Finance	14,546,742	17,387,006	2,840,264
Univ. Advancement	3,027,412	3,532,160	504,748
Centrally Monitored	89,814,768	94,800,314	4,985,546
Info. Technology	9,493,775	10,390,269	896,494
President	3,091,183	3,594,929	503,746
Student Affairs	10,871,166	12,312,884	1,441,718
TOTAL	\$ 193,177,417	\$ 209,393,254	\$ 16,215,837



Q&A

