



University Budget Committee

October 19, 2023



- Welcome
- Closing the Loop – 2023-24 Funded UBC Priority Items
- 2024-25 Planning
- 2023-24 Review – 1st Quarter
- 2023-24 Enrollment Update
- 2024-25 CSU Budget Request
- Budget Request Process & Topics
- UBC PM Update
- OpenGov Update
- Q & A



WELCOME



Closing the Loop

2023-24 Funded UBC Priority Items



UBC Request for 2023-24

MEMORANDUM

DATE: April 7, 2023

5

SUBJECT: Final Recommendations of the University Budget Committee (UBC) for base & one-time Budget allocation for the Fiscal Year (FY) 2023-24

TO: Thomas A. Parham, Ph. D.
President, CSUDH

FROM: Rama Malladi, Ph. D.
Chair, University Budget Committee, CSUDH
Associate Professor of Finance, College of Business and Public Policy (CBAPP)

CC: All current UBC Members and guests
Kate Fawver; Edward Cleek; Jessica Pandya; Ronald Norby; Sonal Singhal;
Wendolyn Vermeer; Adrienne Gutierrez; Obioha Victor Ogbonna; Edgar Mejia-Alezano; Samantha Alvarez Chavarria; Michael E. Spagna; Deborah Wallace;
William Franklin; Chris Manriquez; David Gamboa; Eva Sevcikova; Ken O'Donnell;
Tony Jake; Jacqueline Kuenz; Susan M. Sanders; Adrian Witt; Jane Gallegos; Nick Norimoto; Andrea Alvarez; Claudia M. Orozco; Margaret Clarke;

FY2023-24 New Funding Summary:

For the FY2023-24, the CSUDH University Budget Committee has approved a base budget increase of \$1,766,650 million (pending funding from the CSU) and a one-time allocation of \$16,009,878 million (pending the availability of funding). If you have any questions for the UBC, please let me know. The UBC awaits your decision to approve, reject, or modify these recommendations. Thank you for your continued support of UBC.

One of the key missions of the University Budget Committee (UBC), established by PM 2014-04,¹ is to make recommendations to the President concerning budgets, enrollments, and strategic and divisional plans at CSUDH.

The UBC has met (so far) on six occasions during the FY2022-23 year. During these meetings, the CFO and the staff from the CFO's office have provided information to the UBC members on the following items:

President's Response to the UBC Request

MEMORANDUM

DATE: August 29, 2023

SUBJECT: Response to 'Final Recommendations of the University Budget Committee (UBC) for Base & One-Time Budget Allocation for the Fiscal Year (FY) 2023-24'

TO: Rama Malladi, Ph.D.
Chair, University Budget Committee
Associate Professor of Finance, College of Business and Public Policy (CBAPP)

FROM: Thomas A. Parham, Ph.D.
President

CC: All current UBC Members

The April 7, 2023, memo detailing the 'Final Recommendations of the University Budget Committee (UBC) for base and one-time allocations for the fiscal year (FY) 2023-24' has been carefully considered.

The 23-24 final base operating fund budget included the impact of a \$31.5 billion dollar revenue shortfall in the California state budget. While we were thankful that the budget included a \$227.3 million base increase, however, increased mandated costs and a holdout for anticipated compensation increases did not net the expected new funds needed for campuses to meet operational needs or advance some of their planning priorities and strategic plans. Effectively, with no new funding, the executive leadership team spent several months re-evaluating all the campus planning priorities and we concluded that student retention, improving tenure density, closing the gap on the campus digital infrastructure needs, and advancing diversity, equity, inclusion, and justice (DEIJ) were the highest priorities. The request was modified to move the needle on these priorities.

Based on the foregoing, I am modifying the April 7, 2023, request and approving the following (see chart below) for the fiscal year 23-24. I want to thank the UBC for their ongoing efforts to make recommendations to me concerning budgets, enrollments, and strategic and divisional plans to advance the campus priorities. The amounts allocated may be subject to changes as funding availability shifts, and/or divisions are able to repurpose current budgets to advance efforts toward these priorities.

Please feel free to contact me or Vice President, Administration & Finance, Deborah Wallace, if you have any questions regarding this modification.

University Priorities Approved for FY 2023-24

University Priority	Base/One-Time (OT)	Source	Amount
Retention	TBD	TBD	\$1,550,160
Tenure Density	Base	Enroll. Growth	\$960,000
Digital Infrastructure	OT	HEERF IDC	\$2,000,000
DEIJ	OT	Enroll. Growth	\$120,000
TOTAL			\$4,630,160

Funded 2023-24 UBC Priority Items

					UBC Recommendations 04.06.23	Updated President Recommendations 08.29.23
University Priority	Recommendations	Financial Strategy	Base/ One-time (OT)	Source	Amount	Amount
Achieve and maintain academic excellence	Cabinet Recommendation 1a: Fulfill Year 3 of the 5-Year Tenure Density Strategy to improve academic excellence	Financial Strategy 1a: Support the recruitment and hiring of 108 new TT faculty lines for Fall 2024	Base	Enrollment Growth	\$ 1,200,000	\$ 960,000
Achieve operational excellence and infrastructure	Cabinet Recommendation 2a: Maintain the digital infrastructure that was implemented during the pandemic	Financial Strategy 2a: Backfill expenditures accrued using CARES funding	OT	HEERF IDC	\$ 2,000,000	\$ 2,000,000
	Cabinet Recommendation 2d: Support DEI efforts across the campus to improve the overall campus climate	Financial Strategy 2d.2: Permanently resource the Office of the Vice President and Chief Diversity, Equity, and Inclusion Officer to cover existing staff salaries and operational costs	OT	Enrolment Growth	\$ 225,000	\$ 120,000
		Financial Strategy 2d.3: Increase Office of Equity and Inclusion's capacity to make CSUDH more responsive and proactive to campus climate issues (<i>funding to two FTE for conflict resolution and administrative support</i>)		Enrolment Growth	\$ 250,000	\$ -
Build Inter-divisional structures to support student and employee success	Cabinet Recommendation 3a: Finish Year Two implementation of the Going Far Together initiative	Financial Strategy 3a: Support the funding of the proposed GFT financial plan	TBD	TBD	\$ 1,425,528	\$ 1,340,160
	Cabinet Recommendation 3f: Additional support needed in ensure student retention and success	Financial Strategy 3f: Hire (1 FTE) Director/Coordinator Toro Re-Engagement Center	TBD	TBD	\$ 210,000	\$ 210,000
				Total	\$ 5,310,528	\$ 4,630,160

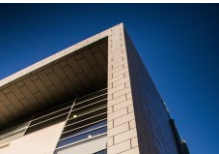
2024-25 Roadmap



- The CARES headwinds have disappeared.
- High inflation is putting pressures on the existing costs.
- Push and pull between various constituents (i.e., collective bargaining, tuition increases, new leadership).
- New procedures being implemented to address systematic concerns (i.e., retention, enrollment-based budgeting).
- During such a time, the UBC shall apply university-wide perspective in analyzing, considering, and recommending resource allocations.



FY 2023-2024 1st Quarter Financials



- 23-24 began with a General Fund increase of \$5.6 million
- Funded enrollment targets increase by 100 FTES
- Almost all new funding was slated for mandatory costs
- Funds from enrollment growth are being held centrally
 - Funding could be removed if campus does not grow
 - Funding will be used to address future UBC approved commitments



2023-24 AADHT Budget Summary							
Sources / Revenue	Original Budget	Adjusted Budget	Total Budget	Actuals (July to September)	Projected Actuals	YE Actuals	YE Balance
State Allocation	\$ 137,679,000	\$ -	\$ 137,679,000	\$ 34,419,750	\$ 103,259,250	\$ 137,679,000	\$ -
Student Fees	86,994,000	146,166	87,140,166	42,104,825	\$ 39,535,341	81,640,166	(5,500,000)
Cost Recovery	3,103,254	-	3,103,254	116,419	\$ 2,986,835	3,103,254	-
Other Revenues	-	200,166	200,166	200,166	-	200,166	-
Sub-total	\$ 227,776,254	\$ 346,332	\$ 228,122,586	\$ 76,841,160	\$ 145,781,426	\$ 222,622,586	\$ (5,500,000)
Balance from Prior Year	-	48,094,851	48,094,851				
Total Sources/Revenue	\$ 227,776,254	\$ 48,441,183	\$ 276,217,437				



2023-24 First Quarter – AADHT Uses/Expenditures

Uses / Divisions	2023-24	Adjusted	Total Budget	Actuals	Projected	Encumbrances	YE Actuals	YE Balance
	Original Budget	Budget		(July to September)	Actuals			
Total Divisions	\$ 118,520,779	\$ 15,680,163	\$ 134,200,941	\$ 32,051,871	\$ 92,855,614	\$ 6,499,298	\$ 131,406,784	\$ 2,794,157
CENTRALLY MONITORED								
Benefits	\$ 58,922,343	\$ 853,743	\$ 59,776,085	\$ 15,120,228	\$ 44,360,683	\$ -	\$ 59,480,911	\$ 295,174
Utilities	3,543,077	999,777	4,542,854	1,128,577	2,885,731	191,441	4,205,749	337,105
Financial Aid	33,561,701	8,173,401	41,735,102	12,968,836	25,366,700	-	38,335,536	3,399,566
<i>SUG</i>	33,238,000	7,767,728	41,005,728	12,896,336	25,000,000	-	37,896,336	3,109,392
<i>EOP</i>	203,715	112,545	316,260	-	200,000	-	200,000	116,260
<i>Other Financial Aid</i>	119,986	293,128	413,114	72,500	166,700	-	239,200	173,914
Other Centrally Monitored	13,228,355	22,734,100	35,962,455	6,368,925	-	79,442	6,448,367	29,514,088
<i>6% Reduction (Tuition Deficit)</i>	6,517,082	-	6,517,082	-	-	-	-	6,517,082
<i>Insurance Premiums</i>	4,807,028	-	4,807,028	4,829,795	-	-	4,829,795	(22,767)
<i>23-24 Enrollment Growth</i>	791,000	-	791,000	-	-	-	-	791,000
<i>I&I Loan</i>	991,000	382,000	1,373,000	-	-	-	-	1,373,000
<i>Held for 2024-25 Commitments</i>	122,245	-	122,245	-	-	-	-	122,245
<i>Basic Needs</i>		492,000						
<i>President's Initiative</i>	-	412,559	412,559	24,474	-	-	24,474	388,085
<i>Centrally Monitored Reserve</i>	-	8,798,276	8,798,276	-	-	-	-	8,798,276
<i>Indirect Cost (IDC) HEERF</i>	-	8,821,239	8,821,239	275,000	-	-	275,000	8,546,239
<i>Black Women's Think Tank</i>	-	3,792,190	3,792,190	-	1,207,000	-	1,207,000	2,585,190
<i>Miscellaneous CM</i>	-	35,835	35,835	1,239,655	-	79,442	1,319,098	(1,283,263)
Total Centrally Monitored	\$ 109,255,475	\$ 32,761,021	\$ 142,016,496	\$ 35,586,565	\$ 72,613,114	\$ 270,884	\$ 108,470,563	\$ 33,545,933
Total Uses/Divisions	\$ 227,776,254	\$ 48,441,183	\$ 276,217,437	\$ 67,638,437	\$ 165,468,728	\$ 6,770,182	\$ 239,877,347	\$ 36,340,091
							Grand Total AADHT Balance	\$ 30,840,091

2023-24 First Quarter – AADHT Uses/Expenditures

Uses / Divisions	2023-24 Original Budget	Adjusted Budget	Total Budget	Actuals <i>(July to September)</i>	Projected Actuals	Encumbrances	YE Actuals	YE Balance
ACADEMIC AFFAIRS	\$ 70,806,629	\$ 7,800,647	\$ 78,607,276	\$ 18,589,754	\$ 55,769,261	\$ 487,384	\$ 74,846,398	\$ 3,760,878
ADMIN AND FINANCE	17,376,342	403,137	17,779,479	5,219,136	12,657,407	2,593,097	20,469,640	(2,690,160)
ADVANCEMENT	3,431,615	2,221,801	5,653,416	672,533	2,717,598	279,798	3,669,930	1,983,487
DEIJ	549,983	215,296	765,279	160,020	480,059	-	640,078	125,200
INFO TECHNOLOGY	10,215,208	1,580,262	11,795,470	3,114,371	8,343,114	1,790,318	13,247,804	(1,452,334)
PRESIDENTS	2,976,598	1,207,578	4,184,176	735,569	2,206,706	121,926	3,064,200	1,119,976
STUDENT AFFAIRS	<u>13,164,404</u>	<u>2,251,441</u>	<u>15,415,845</u>	<u>3,560,490</u>	<u>10,681,470</u>	<u>1,226,774</u>	<u>15,468,734</u>	<u>(52,889)</u>
Total Divisions	\$ 118,520,779	\$ 15,680,163	\$ 134,200,941	\$ 32,051,871	\$ 92,855,614	\$ 6,499,298	\$ 131,406,784	\$ 2,794,157
CENTRALLY MONITORED								
Benefits	\$ 58,922,343	\$ 853,743	\$ 59,776,085	\$ 15,120,228	\$ 44,360,683	\$ -	\$ 59,480,911	\$ 295,174
Utilities	3,543,077	999,777	4,542,854	1,128,577	2,885,731	191,441	4,205,749	337,105
Financial Aid	33,561,701	8,173,401	41,735,102	12,968,836	25,366,700	-	38,335,536	3,399,566
<i>SUG</i>	<i>33,238,000</i>	<i>7,767,728</i>	<i>41,005,728</i>	<i>12,896,336</i>	<i>25,000,000</i>	-	<i>37,896,336</i>	<i>3,109,392</i>
<i>EOP</i>	<i>203,715</i>	<i>112,545</i>	<i>316,260</i>	<i>-</i>	<i>200,000</i>	-	<i>200,000</i>	<i>116,260</i>
<i>Other Financial Aid</i>	<i>119,986</i>	<i>293,128</i>	<i>413,114</i>	<i>72,500</i>	<i>166,700</i>	-	<i>239,200</i>	<i>173,914</i>
Other Centrally Monitored	13,228,355	22,734,100	35,962,455	6,368,925	-	79,442	6,448,367	29,514,088
Total Centrally Monitored	\$ 109,255,475	\$ 32,761,021	\$ 142,016,496	\$ 35,586,565	\$ 72,613,114	\$ 270,884	\$ 108,470,563	\$ 33,545,933
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							Grand Total AADHT Balance	\$ 30,840,091

2024-2025 CSU BUDGET REQUEST



- September Board of Trustees Meeting, Chancellor's Office reviewed CSU's Mission & Core Values

Advance **student success and educational equity**

Invest in our **faculty and staff**

Ensure course offerings **support access** for students

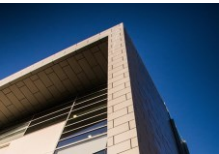
Expand **financial aid**

Ensure safe, modern sustainable **facilities** where teaching, learning and student well-being can thrive

<https://www.calstate.edu/csuo-system/board-of-trustees/past-meetings/2023/Documents/fin-sept-10-13.pdf>



Incremental, New Revenue	(in millions)	
State General Fund: Compact	\$240.0	} \$412.0 M
Tuition: Increase	148.0	
Tuition: Access & Enrollment	24.0	
State General Fund: Additional Request	145.0	
Total Revenue	\$557.0	



24-25 Expenditure Plan (millions)

	Base	Increase
Student Access & Success		
Financial Aid: State University Grant	\$ 701	\$ 58
Student Access & Enrollment		55
Graduation Initiative	380	30
Student Basic Needs & Mental Health	95	7
Institutional Support		
Title IX and DHR Programs	\$ 20	\$ 16
State & Federal NAGPRA Compliance		4
Required Operational Costs	400	63
Debt Service on Facilities & Infrastructure	440	25
CSU Workforce Investments		
Faculty & Staff Compensation Pool	\$ 5,374	\$ 221
Health Premiums	699	78

**All increases
are ongoing**

<https://www.calstate.edu/csu-system/about-the-csu/budget/2024-25-operating-budget>



Potential Allocations to CSUDH ~2.8%

Use of Funds	State University Grant	Student Access & Enrollment	Graduation Initiative	Student Basic Needs	Title IX & DHR Programs
Within Compact	\$1,611,000	\$1,539,000	\$0	\$84,000	\$221,000
Above Compact	\$0	\$0	\$840,000	\$112,000	\$224,000
Budget Plan	\$1,611,000	\$1,539,000	\$840,000	\$196,000	\$445,000

Use of Funds	State & Federal NAGPRA Compliance	Required Operational Costs	Debt Service on Facilities & Infrastructure	Faculty & Staff Compensation Pool	Health Premium
Within Compact	\$63,000	\$985,000	\$0	\$4,583,000	\$2,194,000
Above Compact	\$56,000	\$798,000	\$0	\$1,597,000	\$0
Budget Plan	\$119,000	\$1,783,000	\$0	\$6,180,000	\$2,194,000

<https://www.calstate.edu/csu-system/about-the-csu/budget/2024-25-operating-budget>



BUDGET REQUEST PROCESS & TOPICS



- 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.
- 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.)



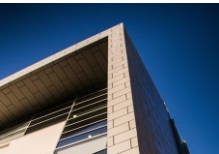
- The UBC recommendations regarding new baseline and one-time finding allocations and reallocation of existing resources shall consider:
 1. budget information and projections provided by the Vice President for Administration and Finance/Chief Financial Officer;
 2. university enrollment reports and 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.



- Budget request process evolved into a more cohesive and cross-divisional approach, eliminating silos when evaluating and deciding university priorities
- Cabinet review needs and present a **consolidated request** to the University Budget Committee
- Request process will focus on targeted goals and outcomes



UBC PM Update



- The membership of the University Budget Committee (UBC) is established by [PM 2014-04](#); which supersedes [PM 00-03](#).
- Your inputs are sought in writing the new PM (2023, to be issued).
- Current items for consideration. More to be added based on the member feedback
 1. Adding the DEIJ division
 2. Extending the new budget request memo deadline from April 1 to April 15th
 3. Making clear UBC role in budget add/modify/delete line items
 4. Making clear the language on the process if the president adds/modifies/deletes the UBC recommendation
 5. Making clear UBC role in budget cuts
 6. Making clear language on UBC oversight/review of auxiliaries
 7. Making clear language and timelines on the university annual financial report
 8. How UBC and UPC may work together

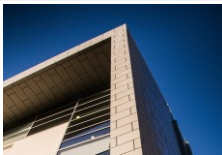
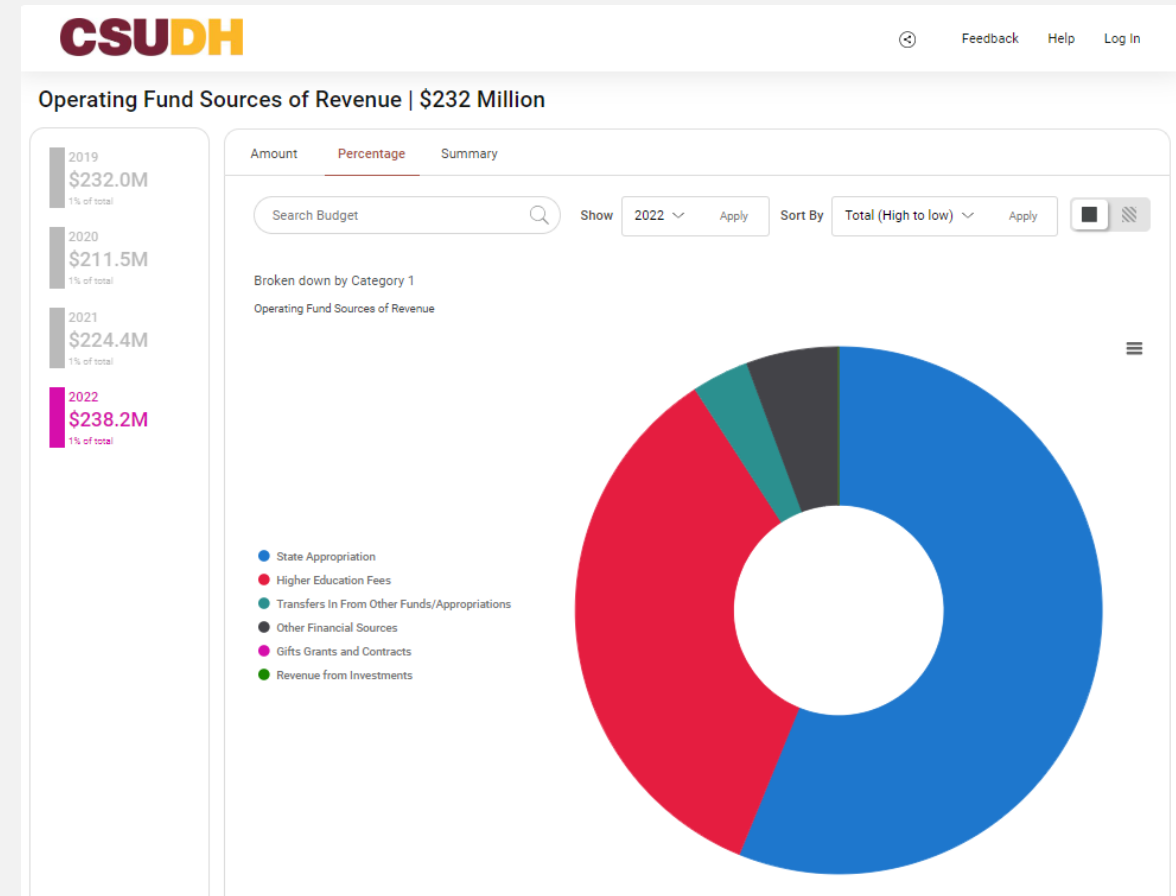


OpenGov Update

Introducing OpenBook



- Our campus has partnered with Questica to implement a new budgeting software
- Includes a new fiscal transparency portal called **OpenBook**
- <https://csudh.openbook.questica.com/>
- <https://www.csudh.edu/budget-plan-admin/openbook/>
- Budget Lunch & Learn on OpenBook -
Wednesday, November 8th





Thursdays, 2pm to 4pm

(Fall23: on Zoom, Spring24: modality & day TBD action item)

1) 09/28/2023: Kickoff meeting

2) 10/19/2023: Share budget request form with UBC

3) 11/30/2023: FY24-25 budget topics for review

12/14/2023: Last meeting before holidays, VP budget discussions update. May not be needed

1) 02/29/2024: FY24-25 Governor's budget update, CSUDH budget priorities)

2) 03/28/2024: FY24-25 Final Cabinet recommendations & Budget Approval

Note: 04/01/2024: Hard deadline to send UBC budget memo to the president

3) 04/11/2024: FY24-25 Budget Approval Meeting (contingency meeting)

05/02/2024: Tentative, most likely not required

UBC does not meet over the summer, unless in emergency situations.

