Overview

• 2018-2019 Governor’s Budget outlook & proposal
• Resulting budget gap
• CSU successes
• Potential impact on CSU and students
• What CSU needs to do
2018-2019 Governor’s Budget

- California’s fiscal outlook is positive

- Statewide – Rainy Day Fund reaches $13.5 billion

- CSU – $92 million increase
## 2018-2019 CSU Operating Budget

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trustees Request to State</td>
<td>$263</td>
</tr>
<tr>
<td>Governor’s Budget Proposal</td>
<td>$92</td>
</tr>
<tr>
<td>Budget Gap</td>
<td>$171</td>
</tr>
</tbody>
</table>
CSU Successes During Economic Recovery

- More Courses
- More Student Supports
- 31,000+ New Students
- Help on State and Federal Mandates
- Infrastructure Improvements
- Start of Graduation Initiative 2025
- Settled Employee Contracts
- Addressed Health, Pension, and Other Mandatory Costs
Recent Budget Developments

Expenditure and Revenue Options
If no change to $171m budget gap...

$171  Gap
-75   Graduation Initiative
$96   Student Enrollment Growth
-20   Infrastructure Needs
$76   $61   Fixed Cost Deficit
What CSU Needs To Do

Top Priority: Seek additional state funding

Contingency: Pursue CSU-controlled strategies

• Plan to reduce programs and services

• Consider potential $228 per year tuition increase
  • Provides $70 million in operating revenue
  • Commits $35 million more for State University Grants
“Core” expenses reported in IPEDS and shown in FY 2016/17 dollars
Five Key Goals

#1: State to fully fund budget request

#2: Resources to maintain quality

#3: Affordability

#4: No impact to students with greatest need

#5: Immediate obligations & reduce time-to-degree