Operating Budget Update and Consideration of Expenditure and Revenue Options for 2018-19

Committee on Finance – Agenda Item 5
March 19-21, 2018
Outline for Today’s Presentation

• Review of 2017-18 Graduation Initiative investments
• Summary of 2018-19 budget principles
• Recap of CSU budget and Governor’s budget proposals
• Update on hearings in Assembly/Senate
• Options for narrowing the gap between budget and funding
2017-18 Graduation Initiative Funding

$88 million in new investments
($75m from tuition increase; $13m from campus re-prioritization)

• Nearly 400 new tenure track faculty hires ($46 million)
• 3,200 new course sections
• 228 new academic advisors ($18 million)
• Student and academic support programs ($24 million)
CSU’s 2018-19 Budget Principles

• Ensure CSU’s value to California’s future
• Maintain progress on Graduation Initiative
• Provide fair compensation to faculty and staff
• Keep tuition affordable
• Maintain academic excellence
State Budget Update

• Governor’s Budget – $92 million increase
• $171 million gap in CSU budget plan
• Initial, informational hearings in Assembly/Senate
• Decisions expected in May and June
Revenue Options

Short-Term for 2018-19

• Partner with the State to provide additional recurring support
• Approve a tuition increase to cover portion of gap
• Hybrid of State appropriation and tuition

Long-Term for 2019-20 and beyond

• Multi-year budget plan
• Expand public private partnerships
• Expand philanthropic donations to the CSU
Expenditure Options

Short-Term for 2018-19

• Defer hiring of faculty and support staff
• Adjust institutional financial aid
• Forego new operating budget investment in Graduation Initiative, enrollment and infrastructure

Long-Term for 2019-20 and beyond

• Adjustments to retirement and post-employment health programs
• Enrollment management: freeze or reduce
• Program realignments and eliminations
2018-19 Options

1. Forego new investments
   - Year 2 of Graduation Initiative
   - Enrollment growth
   - Infrastructure and deferred maintenance

2. Reduce expenses
   - New hiring, replacement hiring
   - Financial aid

3. Increase revenue
   - State funding
   - Tuition
   - Hybrid