

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

