



# UBC: Part III

## 2024/25 Budget Planning

CALIFORNIA STATE UNIVERSITY, CHICO

2023-2024

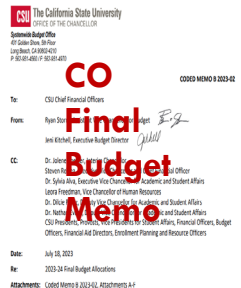
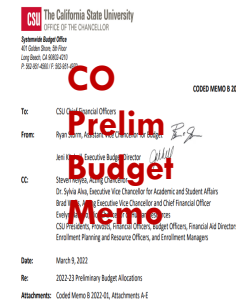
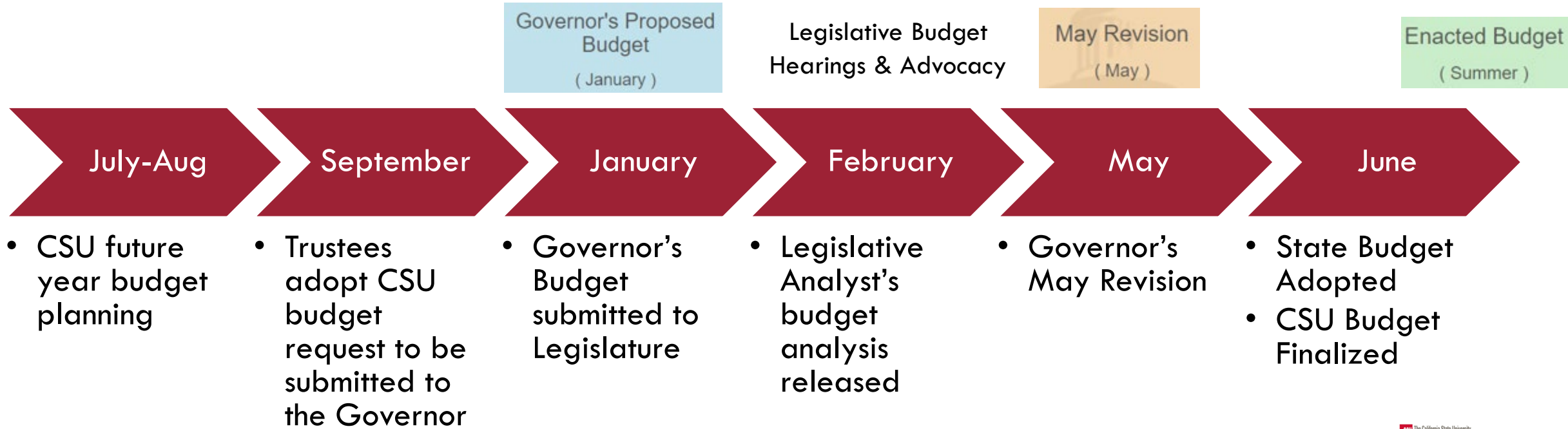
# Review topics and timeline w/UBC and President

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<b>UBC Topic/Focus</b>	<b>UBC Friday's 9-10am</b>	<b>Notes</b>
UBC Part 1 – Budget & Funding Basics	February 2 <sup>nd</sup> and 9 <sup>th</sup>	Initial Mtg
UBC Part 2 – 23/24 Budget Memo's and Campus Budget	February 9 <sup>th</sup>	
UBC Part 3 – 24/25 Budget Planning	February 9 <sup>th</sup> and 16 <sup>th</sup> (?)	
UBC Part 4 – Deeper Dive to Build 24/25 Scenarios	February 16 <sup>th</sup> and 23 <sup>rd</sup>	Cabinet not avail Feb 16 <sup>th</sup>
UBC Part 5 – Finalize 24/25 scenarios to recommend to President	February 23 <sup>rd</sup> and March 1 <sup>st</sup>	
	<b>President's State of University Address "Budget Call"</b> <i>March 7<sup>th</sup> 2:30 pm</i>	<b>UBC Meeting</b> <i>March 7<sup>th</sup> 3:45</i>



# Annual Budget Cycle



# 24/25 BOT Budget Request to State

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- Current and prior year budget request booklets and budget allocations can be found on their website here:

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



# 24/25 BOT Budget Sources & Uses - \$558M

TABLE 3: SOURCES & USES OF FUNDS

SOURCES OF FUNDS (Incremental New Revenue)	TUITION & WITHIN COMPACT	ABOVE COMPACT	BUDGET PLAN
State General Fund	\$240,243,000	\$144,546,000	\$384,789,000
Tuition from Rate Increase	148,330,000		148,330,000
Tuition from Strategic Resident Enrollment Growth	24,278,000		24,278,000
<b>TOTAL NEW SOURCES</b>	<b>\$412,851,000</b>	<b>\$144,546,000</b>	<b>\$557,397,000</b>

Notes:

Compact = commitment to increase State General Fund by 5% each year, for 5 years ending 2026/27

Chico State – won't be receiving any State General Fund increase related to “enrollment growth”

USES OF FUNDS (Incremental New Expenditures)	TUITION & WITHIN COMPACT	ABOVE COMPACT	BUDGET PLAN
<b>Student Access &amp; Success</b>			
Financial Aid			
State University Grant — Tuition Rate Increase	\$49,443,000		\$49,443,000
State University Grant — Enrollment Increase	8,093,000		8,093,000
<b>Student Access and Enrollment</b>	<b>54,957,000</b>		<b>54,957,000</b>
Graduation Initiative		30,000,000	30,000,000
Student Basic Needs and Mental Health	3,000,000	4,000,000	7,000,000
<b>Institutional Support</b>			
Title IX and DHR Programs	7,900,000	8,000,000	15,900,000
State and Federal NAGPRA Compliance	2,250,000	2,000,000	4,250,000
Maintenance of New Facilities	12,548,000		12,548,000
Liability and Property Insurance Premium Increases	22,635,000		22,635,000
Inflation on Non-Personnel Costs		28,506,000	28,506,000
Debt Service on Academic Facilities & Infrastructure	10,000,000	15,000,000	25,000,000
<b>CSU Workforce Investments</b>			
Faculty and Staff Compensation Pool	163,664,000	57,040,000	220,704,000
Health Premium Increases	78,361,000		78,361,000
<b>TOTAL NEW USES</b>	<b>\$412,851,000</b>	<b>\$144,546,000</b>	<b>\$557,397,000</b>

# Governor's January Budget – 2024/25

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## Short Term

- \$38 billion state budget deficit
- State tax revenues lower than expected for past, current, and budget years (i.e., 2022-23, 2023-24, & 2024-25)
- No consensus on immediate recession

## Long Term

- Tax revenue growth expected to return to pre-pandemic normal rates
- State anticipated to have 15% annual operating budget deficits (2025-26 through 2027-28)

- No new ongoing or one-time funding in 2024-25
- Compact deferral

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**2024-25** CSU spends \$240 million one-time

**2025-26** State reimburses \$240 million one-time

State appropriates \$240 million ongoing (year 3 of compact)

State appropriates ~\$252 million ongoing (year 4 of compact)

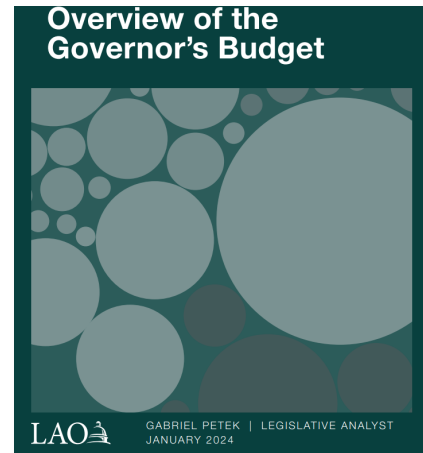
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- Proposal would deliver the same level of funding per year, per the compact
- Administration remains committed to the compact goals

# LAO – Overview of 2024-25 Governor’s Budget

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- Budget Timing – point in time, varies
- Est Governor solved budget problem of \$58B
  - $\frac{3}{4}$  of solutions focuses on spending
  - $\frac{1}{4}$  on withdrawals from reserves
  - Also cost shifts and minor revenue-related solutions
- Optimistic revenue projected to be \$15B higher
- *Specifically, we suggest the Legislature: (1) plan for lower revenues, (2) maintain a similar reserve withdrawal, (3) develop a plan for school and community college funding, (4) maximize reductions in one-time spending, and (5) apply a higher bar for any discretionary proposals and contain ongoing service level.*



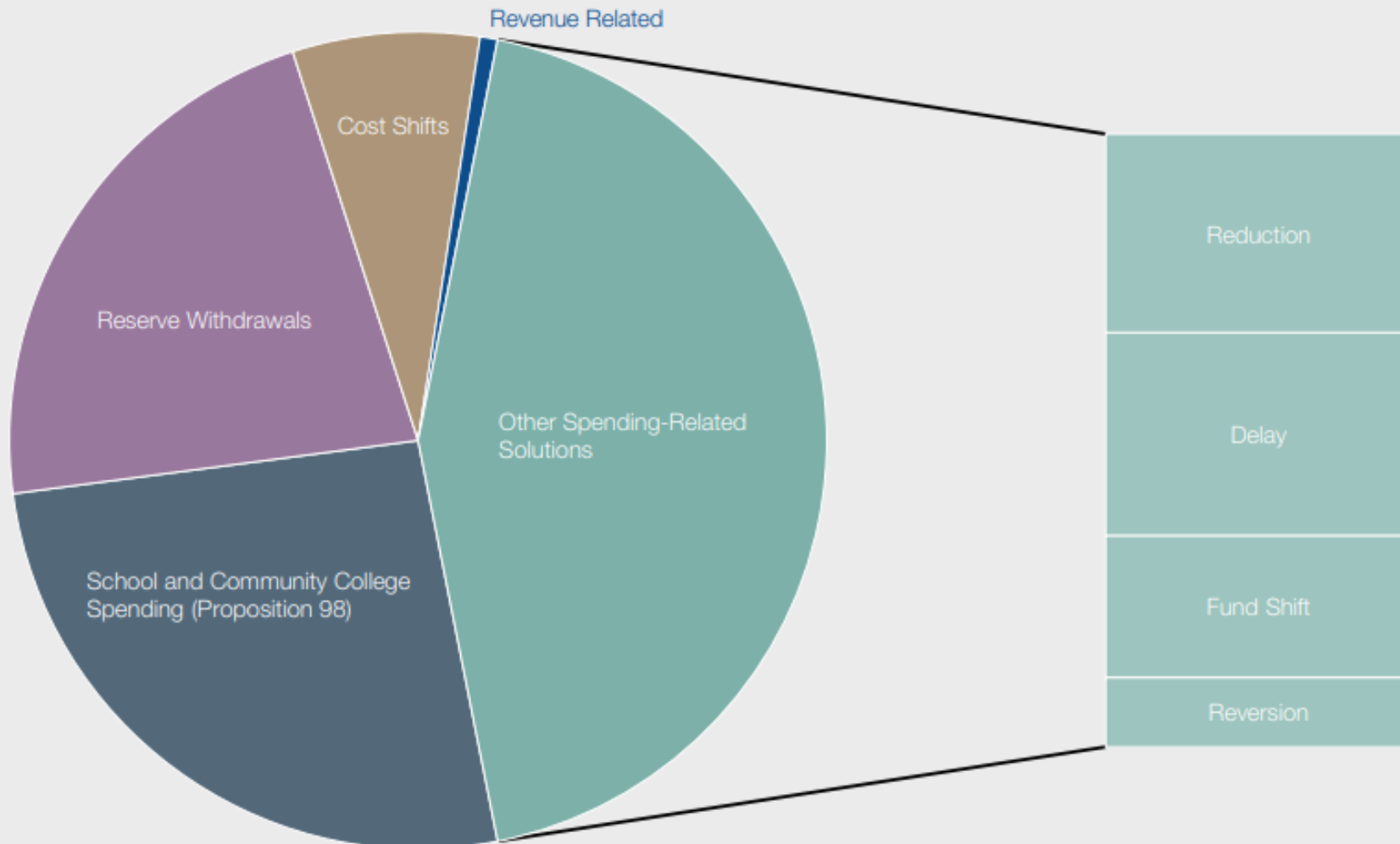
One-time  
solutions

<https://lao.ca.gov/reports/2024/4825/2024-25-Overview-Governors-Budget-011324.pdf>

# LAO – Overview of 2024-25 Governor’s Budget

Figure 2

## How the Governor Addresses a \$58 Billion Budget Problem



Governor has not declared “State of Emergency” which allows him to withdraw from “Budget Stabilization Account” and drain “Safety Net Reserve”

LAO agrees budget situation could declare a “State of Emergency”



# LAO – Higher Education Overview

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LAO 

The 2024-25 Budget:

## Higher Education Overview

GABRIEL PETEK | LEGISLATIVE ANALYST | JANUARY 2024

- LAO recommends Governor pull back unspent, one-time funding from prior budgets:
  - \$18.75M of Farm funding
  - \$55M for Human ID Lab
- LAO also recommends Governor hold CSU/UC general fund allocations flat for 24/25 rather than defer to 25/26.

<https://lao.ca.gov/Publications/Report/4829>



# CSU, Chico Operating Fund Budgets - *incremental*

	<u>2022/23</u>	<u>2023/24</u>
State Support Allocation	152,905,000	156,905,000
Tuition Fees	74,164,000	73,408,000
Other Fees & Revenue	<u>16,358,462</u>	<u>16,750,462</u>
<b>Total Budgeted Revenues</b>	<b>243,427,462</b>	<b>247,063,462</b>



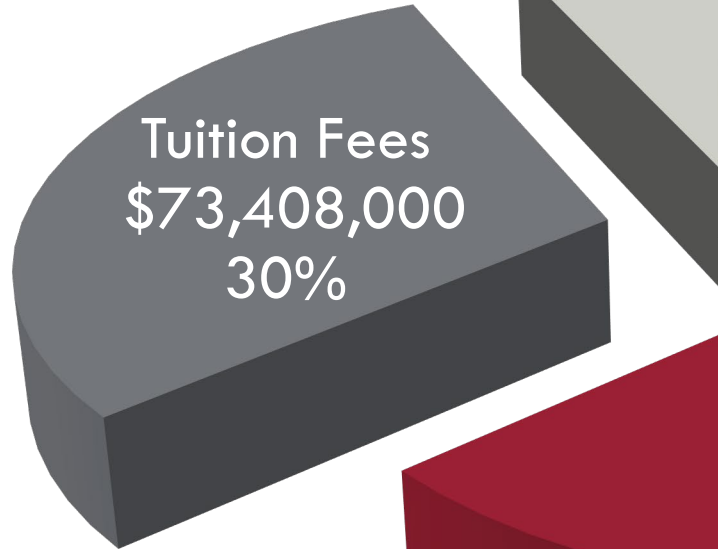
**\$3.6 M**

Centrally Managed Allocations	46,735,558	58,110,962
Division Allocations	<u>196,691,904</u>	<u>188,952,500</u>
<b>Total Budgeted Allocations</b>	<b>243,427,462</b>	<b>247,063,462</b>

Campus Budget Plans online at [csuchico.edu/bud/transparency-reporting.shtml](https://csuchico.edu/bud/transparency-reporting.shtml)

# Budgeted Revenues \$247M – 2023/24

Other Fees &  
Revenue  
\$16,750,462  
7%



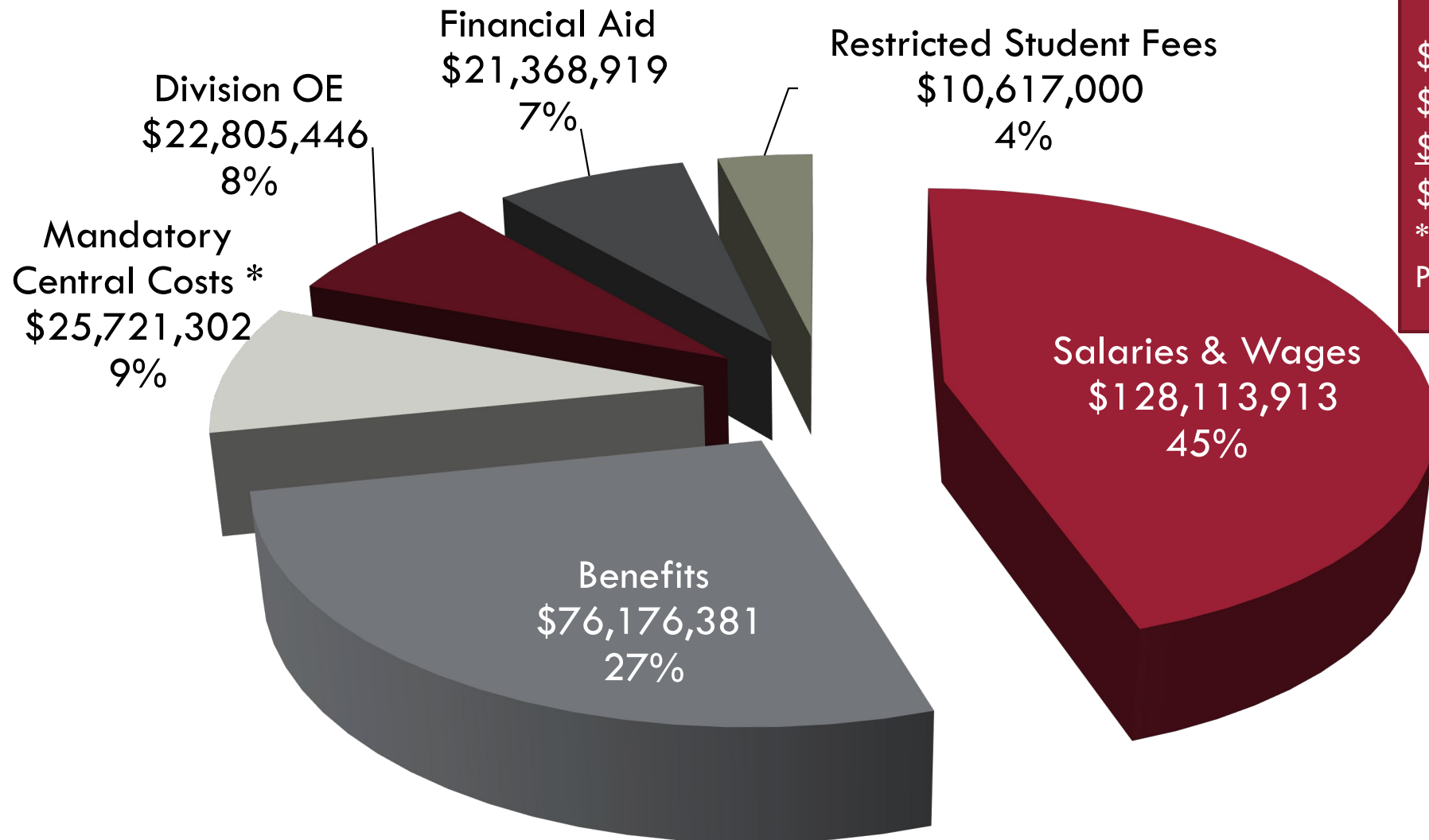
State Support  
Allocation

\$156,905,000  
63%

Other Revenue Sources  
(not centrally budgeted)

\$15M Other Division Revenue  
\$22M Division Use of Reserves

# Budgeted Expenditures \$284M – 2023/24



\$247M State Supp/Tuition  
\$15M Other Revenue  
\$22M Use of Reserves  
\$284M  
\* Includes \$9.8M for Campus Priorities

# Campus Budget Plan – 2023/24

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Open up Campus Budget Plan and walk through Exhibits I, II and III  
[csuchico.edu/bud/transparency-reporting.shtml](https://csuchico.edu/bud/transparency-reporting.shtml)

- Exhibit I – Centrally managed “Budget Sources”
- Exhibit II – Allocation to Divisions of the “Budget Sources”
- Exhibit III’s – Est. total “Budget Uses (expenditures)” including other “Division Sources” and est. use of “Reserves” which shows our campus structural budget deficit
  - Page 13 – “Summary” page which is equivalent to Multi-Year Sources/Uses we just reviewed

These figures include all sources for the campus operating fund – more than centrally budgeted revenues

# Chico State Operating Fund Sources

		<i>Actuals</i>	<i>Actuals</i>	<i>Actuals</i>	<i>Estimated</i>
<b>Account Type</b>	<b>Account Category</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
<b>Sources</b>	<b>General Fund Allocation</b>	<b>130,204,000</b>	<b>139,930,000</b>	<b>154,122,000</b>	<b>156,905,000</b>
	<b>Higher Education Fees</b>				
	Tuition Fee	87,742,087	80,674,239	73,649,386	74,900,000
	Non-Resident Tuition Fee	2,470,999	2,437,187	2,474,159	2,400,000
	Application Fee	1,016,955	1,040,779	1,072,107	920,000
	Other Student Fees	664,706	889,353	1,018,193	1,000,000
	Restricted Student Fees	11,162,000	11,118,000	10,360,000	10,617,000
	<b>Total Higher Education Fees</b>	<b>103,056,747</b>	<b>96,159,559</b>	<b>88,573,845</b>	<b>89,837,000</b>
	Gifts Grants and Contracts	904,876	943,346	1,579,250	1,370,000
	Reimbursements (HEERF)	10,123,791	620,000	-	-
	Other Division Sources (Cost Recovery)	11,838,830	17,026,445	15,042,525	16,743,000
	Revenue Adjustments	26,188	112,421	322,019	-
	<b>Misc Revenue Subtotal</b>	<b>22,893,684</b>	<b>18,702,212</b>	<b>16,943,794</b>	<b>18,113,000</b>
	<b>Transfers In</b>				
	Transfers In Between Campus Funds	3,864,939 ▼	3,979,887 ▼	3,752,463 ▼	3,000,000
Transfers In From CO	1,652,074 ▼	8,125,811 ▼	3,083,344 ▼	914,000	
Est. Allocation from CO - 23/24 Compensation \$				4,527,000	
<b>Total Transfers In</b>	<b>5,517,013</b>	<b>12,105,698</b>	<b>6,835,807</b> ▲	<b>8,441,000</b>	
<b>Total Sources</b>		<b>261,671,444</b>	<b>266,897,469</b>	<b>266,475,445</b>	<b>273,296,000</b>

# Chico State Operating Fund Uses – Salaries & Wages

Account Type	Account Category	Actuals 2020/21	Actuals 2021/22	Actuals 2022/23	Estimated 2023/24
Uses	<b>Regular Salaries and Wages</b>				
	President	381,314	381,314	574,403	578,739
	Academic Salaries	55,058,602	54,611,174	58,212,121	60,384,000
	Department Chairs	4,296,906	4,455,093	4,874,008	5,043,000
	Management and Supervisory	16,260,580	16,339,219	19,627,685	20,414,000
	Support Staff Salaries	37,577,012	37,970,069	42,923,540	44,796,000
	Overtime	345,863	398,283	496,731	568,000
	Student Assistant	2,053,249	2,484,951	2,702,289	2,771,000
	Teaching Associates	459,774	464,687	389,290	305,000
	Graduate Assistant	92,777	92,140	93,039	68,000
	<b>Total Salaries and Wages</b>	<b>116,526,076</b>	<b>117,196,930</b>	<b>129,893,106</b>	<b>134,927,739</b>

*includes est. 5%*

# Chico State Operating Fund Uses – Other Expense

		<i>Actuals</i>	<i>Actuals</i>	<i>Actuals</i>	<i>Estimated</i>
<b>Account Type</b>	<b>Account Category</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
<b>Uses</b>	<b>Operating Expenditures</b>				
Uses	Work Study & Experience	547,253	1,089,341	1,486,058	1,600,000
	Benefits Group	63,452,356	62,915,090	73,301,973	77,500,000
	Communications	310,079	310,634	310,241	314,000
	Utilities Group	3,954,234	5,951,548	7,720,031	8,327,000
	Travel	20,466	452,820	635,700	649,000
	Library Acquisitions	231,022	367,133	370,990	325,000
	Financial Aid	496,695	1,805,383	760,138	496,000
	Contractual Services Group	2,924,730	3,111,584	4,053,868	3,444,000
	Information Technology Costs	5,032,257	5,627,816	5,683,742	6,000,000
	Services from Other Funds/Agencies Group	142,564	1,550,420	1,480,508	1,133,000
	Equipment Group	1,028,970	452,518	1,140,183	463,000
	Misc. Operating Expenses	4,663,948	6,572,222	6,958,159	5,505,000
	Risk Pool	3,228,210	3,523,413	4,401,534	3,985,115
	Expenditure Adjustments	(150,797)	(68,032)	7,075	(212,000)
	Restricted Student Fees	11,162,000	11,118,000	10,360,000	10,617,000
	<b>Total Operating Expenditures</b>	<b>97,043,986</b>	<b>104,779,889</b>	<b>118,670,200</b>	<b>120,146,115</b>
	<b>Transfers Out</b>				
	SUG/EOPG Financial Aid Transfer	23,861,919	22,704,919	21,933,919	20,872,919
	Transfers Out Between Campus Funds	7,942,158	7,377,802	4,822,429	5,145,500
	Capital Outlay Transfer	5,294,361	1,500,000	1,500,000	1,500,000
	<b>Total Transfers Out</b>	<b>37,098,438</b>	<b>31,582,721</b>	<b>28,256,348</b>	<b>27,518,419</b>
<b>Total Uses</b>		<b>250,668,500</b>	<b>253,559,540</b>	<b>276,819,654</b>	<b>282,592,273</b>



# Chico State Operating Fund Sources & Uses

		<i>Actuals</i>	<i>Actuals</i>	<i>Actuals</i>	<i>Estimated</i>
<b>Account Type</b>	<b>Account Category</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
Sources	General Fund Allocation	130,204,000	139,930,000	154,122,000	156,905,000
	Total Higher Education Fees	103,056,747	96,159,559	88,573,845	89,837,000
	Misc Revenue Subtotal	22,893,684	18,702,212	16,943,794	18,113,000
	Total Transfers In	5,517,013	12,105,698	6,835,807	8,441,000
<b>Total Sources</b>		<b>261,671,444</b>	<b>266,897,469</b>	<b>266,475,445</b>	<b>273,296,000</b>
	Total Salaries and Wages	116,526,076	117,196,930	129,893,106	134,927,739
	Total Operating Expenditures	97,043,986	104,779,889	118,670,200	120,146,115
	Total Transfers Out	37,098,438	31,582,721	28,256,348	27,518,419
<b>Total Uses</b>		<b>250,668,500</b>	<b>253,559,540</b>	<b>276,819,654</b>	<b>282,592,273</b>
Net Effect to Reserves		11,002,944	13,337,929	(10,344,209)	(9,296,273)
				Est Encumbrance 6/30/24	(2,500,000)
				Est. Use of Reserves at 6/30/2024	<b>(11,796,273)</b>

**These figures include all revenue sources and expenditures for the campus operating fund – more than centrally budgeted revenue sources and expenditures**

# Chico State Operating Fund “Reserves”

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Account Type	Account Category	Actuals 2020/21	Actuals 2021/22	Actuals 2022/23	Estimated 2023/24	
Sources	General Fund Allocation	130,204,000	139,930,000	154,122,000	156,905,000	
	Total Higher Education Fees	103,056,747	96,159,559	88,573,845	89,837,000	
	Misc Revenue Subtotal	22,893,684	18,702,212	16,943,794	18,113,000	
	Total Transfers In	5,517,013	12,105,698	6,835,807	8,441,000	
<b>Total Sources</b>		<b>261,671,444</b>	<b>266,897,469</b>	<b>266,475,445</b>	<b>273,296,000</b>	
Uses	Total Salaries and Wages	116,526,076	117,196,930	129,893,106	134,927,739	
	Total Operating Expenditures	97,043,986	104,779,889	118,670,200	120,146,115	
	Total Transfers Out	37,098,438	31,582,721	28,256,348	27,518,419	
<b>Total Uses</b>		<b>250,668,500</b>	<b>253,559,540</b>	<b>276,819,654</b>	<b>282,592,273</b>	
<b>Net Effect to Reserves</b>		<b>11,002,944</b>	<b>13,337,929</b>	<b>(10,344,209)</b>	<b>(9,296,273)</b>	
					Est Encumbrance 6/30/24	(2,500,000)
					Est. Use of Reserves at 6/30/2024	(11,796,273)

\* includes CM funds, such as balance of \$9.8M not alloc as use above, Strat Init \$2.6M, Fin Aid \$1M, etc.

	6/30/21 Balance	6/30/22 Balance	6/30/23 Balance	* 6/30/24 Est.
G1006 Operating Fund	\$ 61,181,667	\$ 72,969,380	\$ 64,198,801	\$ 52,402,528
Central Investment Earnings	\$ 3,959,758	\$ 4,347,262	\$ 4,222,690	\$ 3,167,678
Miscellaneous Trust	\$ 6,047,555	\$ 5,726,722	\$ 5,846,613	\$ 5,000,000
	<b>\$ 71,188,980</b>	<b>\$ 83,043,364</b>	<b>\$ 74,268,104</b>	<b>\$ 60,570,206</b>

Pause for Any Questions?

Next Step:

2024/25 Initial Planning Assumptions





# How will we build 2024/25 planning scenarios?

## SOURCES

### Tuition revenue

- Tuition rate (increase by 6%)
- Budgeted FTES (resident & non-resident)

### State support

- Review 24/25 BOT Request and Governor's January Budget – need to estimate what Chico State may receive

## USES

### Salaries

- Compensation Increases – 5% for all plus 2.65% SSI for Faculty

### Benefits

- Retirement Increase/Decrease
- Medical Premiums Increase

### Operating Expenditures

- Division costs
- Centrally Managed costs
  - Utilities, Risk Pool, Fin Aid, etc.

# Questions?

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Information available on University Budget website

[csuchico.edu/bud/transparency-reporting.shtml](https://csuchico.edu/bud/transparency-reporting.shtml)

**Stacie Corona**

Associate VP, Financial Services

**Anna Magana**

Director, University Budget

**Josh James**

Assistant Director, University Budget