



UBC: Budget & Funding Basics

CALIFORNIA STATE UNIVERSITY, CHICO

2023-2024

Topics to Cover

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- State – Budget Process and Cycle
- CSU – Budget Process and Cycle
- LAO – Reports and Analysis
- Chico State – Allocation and Campus Budget Plan
- Chico State – Other University Funds
- Budget Terminology and Other Resources



Online Resources to Review

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- California Budget: ebudget.ca.gov
- CA Legislative Analyst's Office: <https://lao.ca.gov>
 - Many reports published since January related to Higher Education
- CSU Budget: <https://www.calstate.edu/csu-system/about-the-csu/budget>
- CSU Budget Coded Memos: <https://www.calstate.edu/csu-system/about-the-csu/budget/Pages/coded-memos.aspx>
- Chico Budget: www.csuchico.edu/bud
- Chico Budget Transparency: <https://csuchico.openbook.questica.com/>

State/CSU Budget Process and Cycles

The Budget Starts at the State Capitol

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- **January** – Governor's initial budget proposal
- **May** – Proposed revision to January budget
- **June** – Budget plan is finalized
- **July** – New year budget is allocated



California Budget Portal

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The January, May and Final Budget documents are posted to the California Budget website: ebudget.ca.gov



The screenshot shows the California Budget Portal for the 2023-24 fiscal year. At the top left is the Great Seal of the State of California, featuring a woman holding a scale and a sword, with a ship and a bear in the background. To the right of the seal, the text reads: "The Department of Finance welcomes you to the California Budget 2023-24" followed by "Gavin Newsom Governor State of California". Below this is a dropdown menu labeled "Select Budget Year" with "2023-24" selected. A red box with a white arrow pointing to the dropdown contains the text "Prior years available". The main content area is divided into three columns: "Governor's Proposed Budget (January)" with a description "The Budget proposed by the Governor" and buttons for "Summary »" and "Detail »"; "May Revision (May)" with a description "Changes to the Governor's Proposed Budget based upon the latest economic forecasts" and buttons for "Summary »" and "Detail »"; and "Enacted Budget (Summer)" with a description "The Budget passed by the Legislature and signed by the Governor" and buttons for "Summary »" and "Detail »".

California Budget Analysis

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- The nonpartisan Legislative Analyst's Office provides fiscal and policy advice to state legislature
- Provide independent analysis of annual Governor's budget
- Monitors state economic indicators to project anticipated budget impacts

Lao.ca.gov

The screenshot shows the homepage of the Legislative Analyst's Office (Lao.ca.gov). The header features the LAO logo and the text "Legislative Analyst's Office" and "The California Legislature's Nonpartisan Fiscal and Policy Advisor". A navigation menu includes links for Home, Policy Areas, Publications, The Budget, Propositions and Initiatives, Staff, Careers, and About Us. A search bar is located on the right side of the header. The main content area is divided into three columns of featured articles. The first column features "Promoting Equity in the Parole Hearing Process". The second column features "The 2024-25 Budget: California's Fiscal Outlook". The third column features "The 2023-24 Spending Plan Series". Below these are three more featured articles: "REPORTS BY POLICY AREA" with sub-links for Capital Outlay, Infrastructure, and Criminal Justice; "Assessing California's Climate Policies—Implications for State Transportation Funding and Programs" dated December 13, 2023; and "Fiscal Perspectives from the Legislative Analyst" with a sub-link for "California Economy & Taxes". At the bottom right, there is a link to "EdBudget Tables".

Where does the CSU fit in?

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- Systemwide (SW) Budget spends the summer preparing the new year budget request
- New year budget being planned as current year is allocated
- Budget request presented to Board of Trustees in September
- Budget advocacy season from September through December



Systemwide (SW) Budget Office

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- The Systemwide Budget Office provides budgetary direction for the CSU as a whole.
- 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>
- SW Budget is the primary touchpoint for the CSU Board of Trustees.
- SW Budget also provides guidance on and maintains documentation regarding student fees.

Annual CO “Budget Memos”
w/attachments posted on
website

CSU Board of Trustees

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- The Board of Trustees is responsible for the oversight of the CSU including the adoption of rules, regulations and policies governing the CSU.
- Bi-Monthly meeting schedule and agendas found here:
<https://www.calstate.edu/csu-system/board-of-trustees>



The Board of Trustees meets six times a year. Meetings allow for communication among the Trustees, Chancellor, campus presidents, Academic Senate, California State Student Association and Alumni Council.

2023

January 24-25

March 20-22

May 21-24

July 9-12

September 10-13

November 7-8

2024

January 29-31

March 24-27

May 19-22

July 22-24

September 22-25

November 19-20

CSU Board of Trustees

WEDNESDAY, JANUARY 31, 2024

9:00 a.m.

Committee on Finance

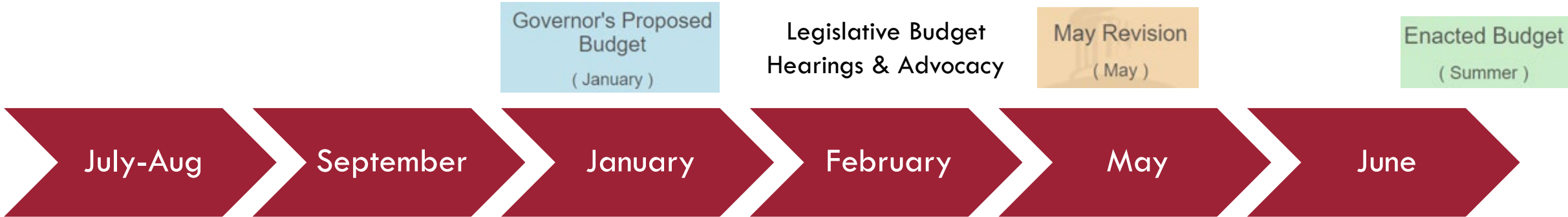
Consent

- Action* 1. Approval of Minutes
- Action* 2. Approval to Issue Debt for Affordable Housing at California State University, Dominguez Hills
- Action* 3. Approval of Third-Party Financing at California Polytechnic State University, San Luis Obispo
- Information* 4. Law Enforcement Regulated Equipment and Tools Annual Report

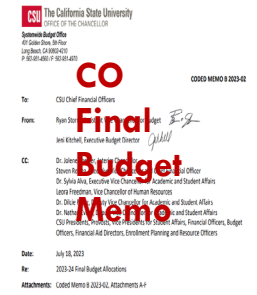
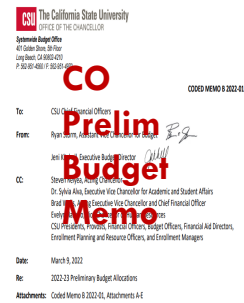
Discussion

- Information* 5. Auxiliary Organizations
- Information* 6. 2024-25 Operating Budget Update
- Information* 7. 2023-24 Student Fee Report

Annual Budget Cycle



- CSU future year budget planning
- Trustees adopt CSU budget request to be submitted to the Governor
- Governor's Budget submitted to Legislature
- Legislative Analyst's budget analysis released
- Governor's May Revision
- State Budget Adopted
- CSU Budget Finalized



LAO Reports – State & Higher Ed Fiscal Information

California's Fiscal Outlook (Dec 7th)

<https://lao.ca.gov/Publications/Report/4819>

Overview of the Governor's Budget (Jan 13th)

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

Trends in Higher Education: Student Access (Jan 23rd)

<https://lao.ca.gov/Publications/Report/4828>

Legislative Analyst's Office: California Economy & Taxes Blog (Jan 23rd)

<https://lao.ca.gov/LAOEconTax/Article/Detail/795>

Higher Education Overview (Jan 30th)

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

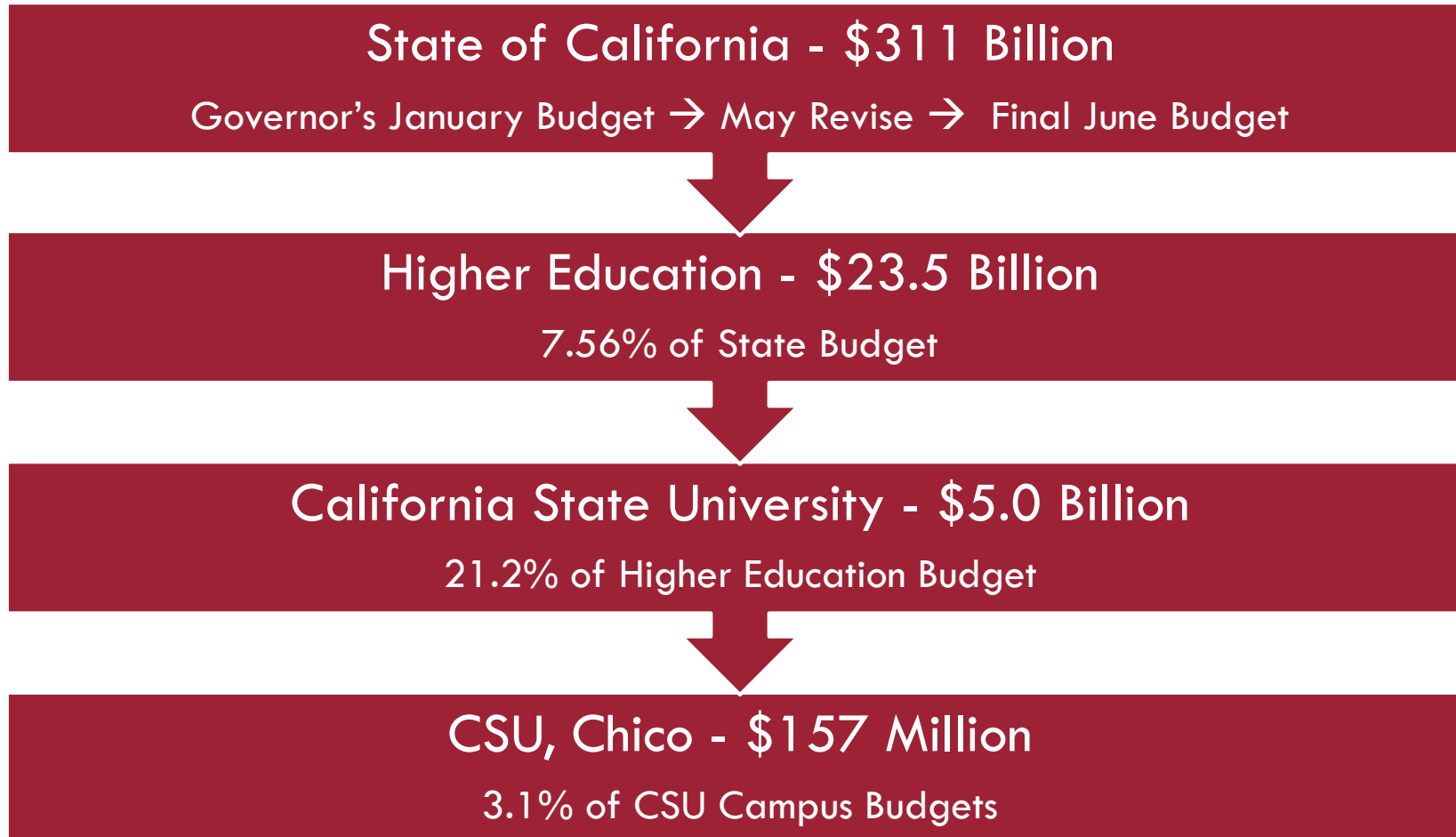
Chico State – State allocation and Campus Budget Plan

Campus Budget Plans online at csuchico.edu/bud/transparency-reporting.shtml

State Budget Allocation

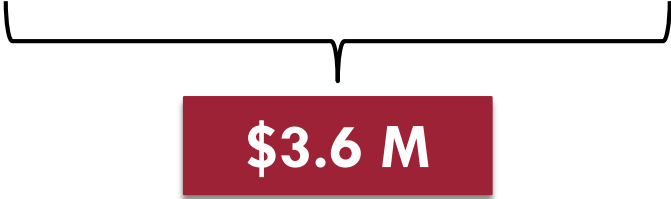
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2023-24 Amounts



CSU, Chico Operating Fund Budget

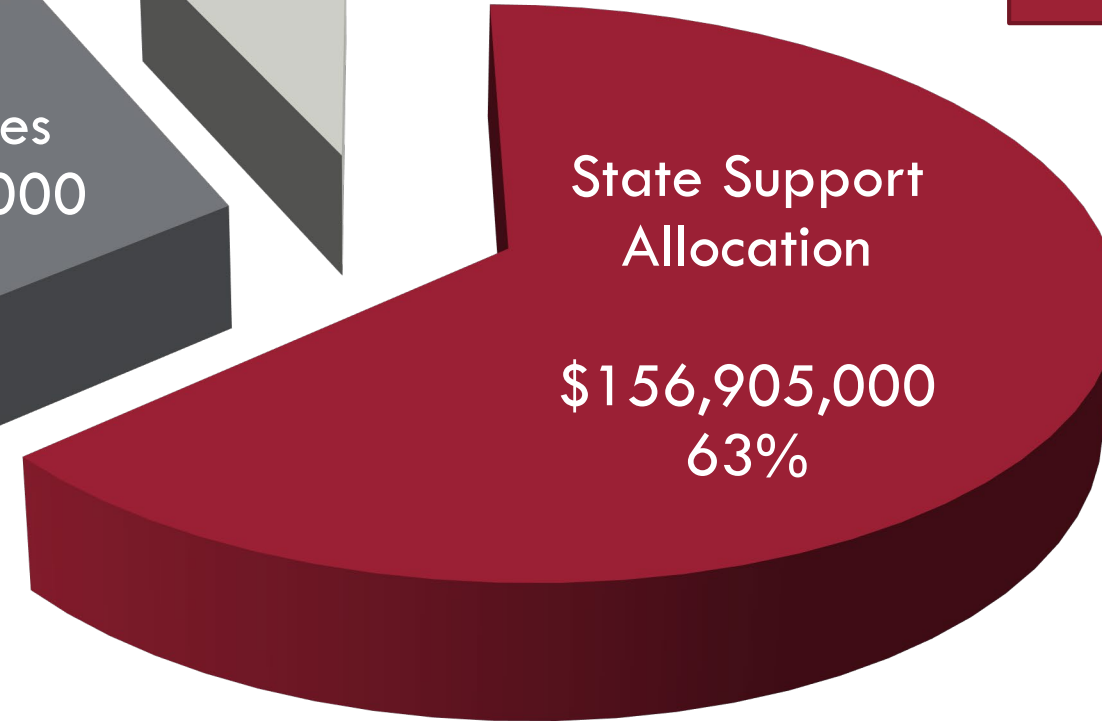
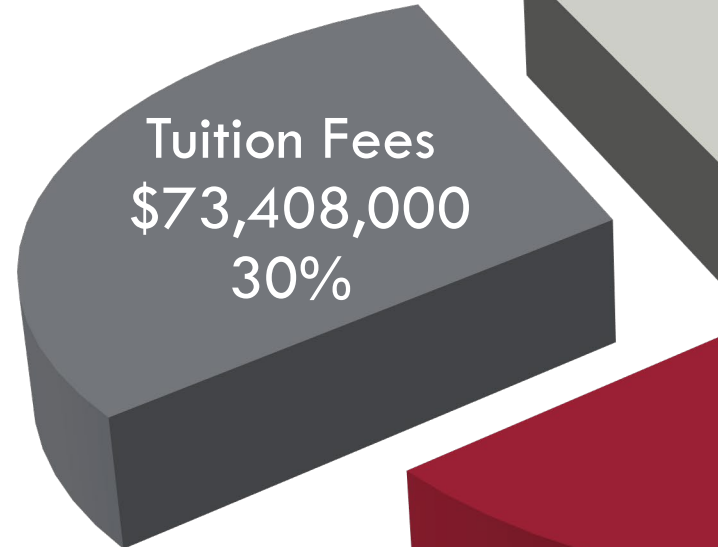
16

	<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>
Total Budgeted Revenues	243,427,462	247,063,462
		
	\$3.6 M	
Centrally Managed Allocations	46,735,558	58,110,962
Division Allocations	<u>196,691,904</u>	<u>188,952,500</u>
Total Budgeted Allocations	243,427,462	247,063,462

Campus Budget Plans online at csuchico.edu/bud/transparency-reporting.shtml

Budgeted Revenues \$247M – 2023/24

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



Other Revenue Sources
(not centrally budgeted)

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

How is the Budget Received? *(Incremental Model)*

- Systemwide Budget will allocate funding to campuses based on their pro-rata share of the expenditures the funding supports, starting with prior fiscal year budget allocation.
- For 2023-24, Chico received \$2M for increased health premiums, \$454k for increased insurance premiums and lost \$1M in SUG funding due to a decrease in SUG eligible students

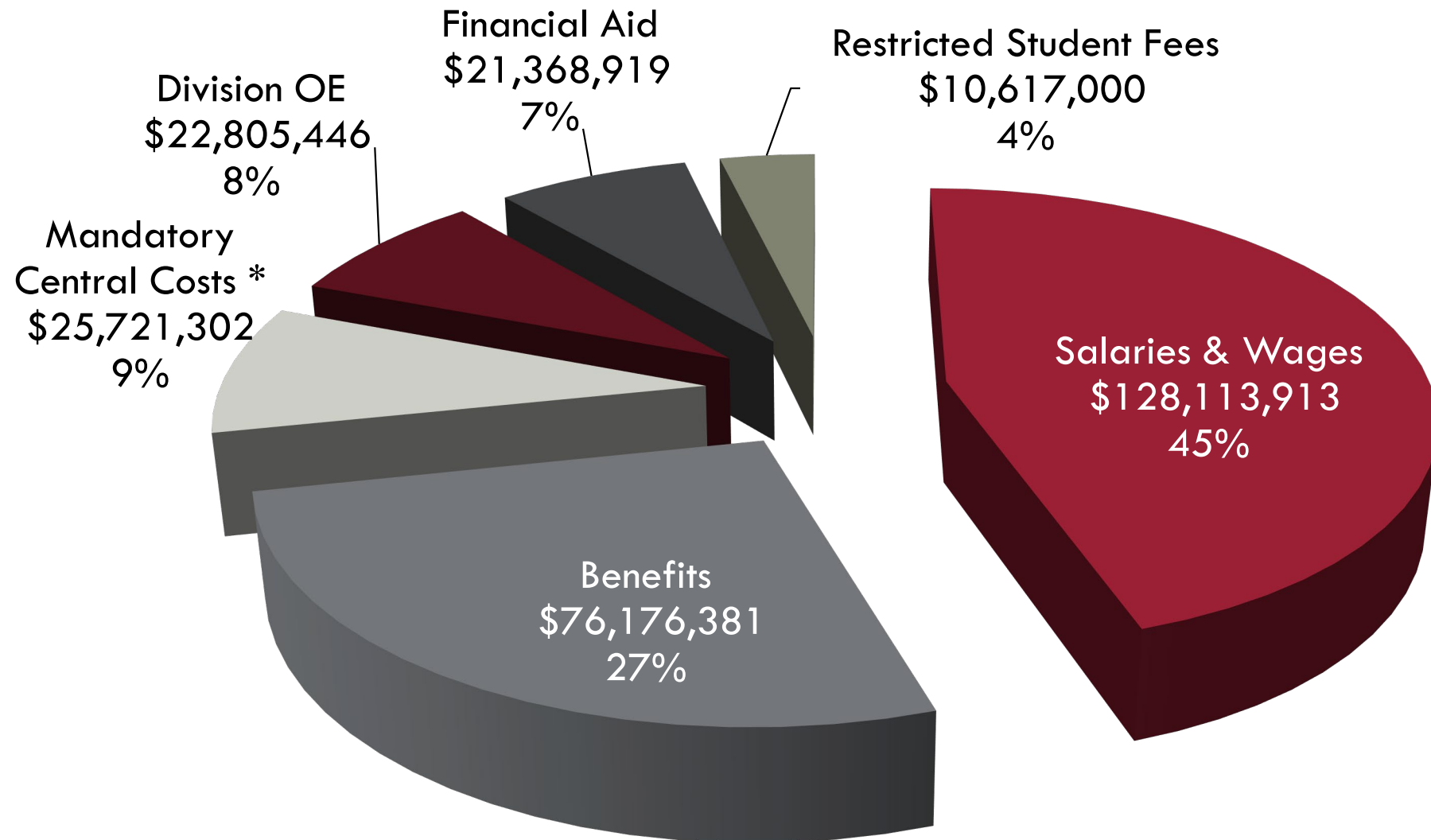
ATTACHMENT C - 2023-24 Expenditure Adjustments (Uses) and Revenue Adjustments (Sources)
2023-24 Final Budget Allocations

	Mandatory Costs			(4)	(5)	(6)	(7)
	(1)	(2)	(3)				
	Health Premiums	Operations & Maintenance of New Facilities	Liability & Property Insurance Premiums	Enrollment Growth	Other Program Adjustments	State University Grant 5% Redistribution	2023-24 Expenditure Adjustments
				(\$14,749 * Attach. D, Col.2)		(Attach. E, Col. 4)	(Sum Cols. 1-6)
Bakersfield	\$1,210,000		\$247,000			(\$937,000)	\$520,000
Channel Islands	936,000	\$177,000	291,000			(446,000)	958,000
Chico	1,984,000		454,000			(1,061,000)	1,377,000
Dominguez Hills	1,505,000		522,000	\$1,475,000		(1,121,000)	2,282,000

Allocation of New Operating Funds - *incremental*

<i>12,068 Res & 360 Non-Res</i>	<i>Total FTES Estimate</i>	<i>12,428</i>
22/23 Base Increases reported late by CO	(1,406,000)	} \$0
Student Basic Needs	276,000	
Graduation Initiative 2025	1,130,000	
22/23 Retirement Adjustment	2,623,000	
Health Care Premiums 8%	1,984,000	
Prop & Liab Insurance Premium	454,000	
State University Grant Adjustment	(1,061,000)	
Fee Revenue Change	(364,000)	
Total New Funding	3,636,000	

Budgeted Expenditures \$284M – 2023/24



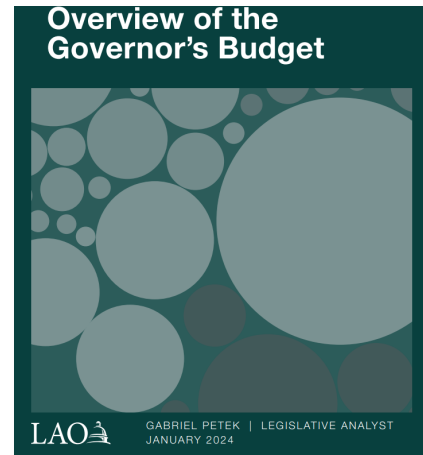
\$247 State Supp/Tuition
\$15M Other Revenue
\$22M Use of Reserves

* Includes \$9.8M for Campus Priorities

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.*



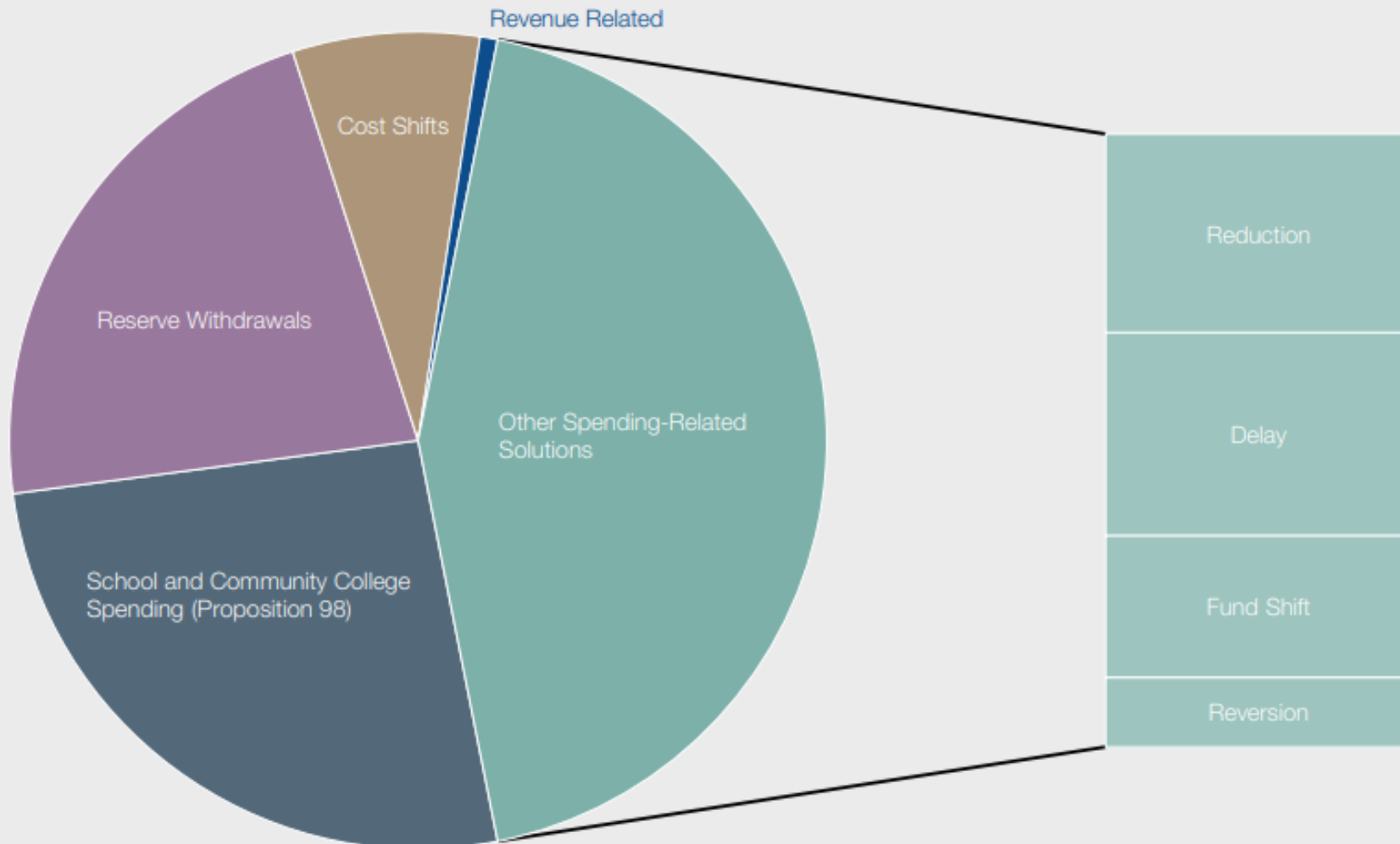
One-time
solutions

<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>

Chico State – Budget Allocation Process

CSU, Chico Budget Allocation Process

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HYBRID ALLOCATION MODEL

- **Centralized** – Mandatory costs are funded first: compensation, benefits, financial aid, utilities, insurance
- **Incremental** – Allocation of remaining funds to each division as a percentage of their permanent base

CHICO'S BUDGET MODEL – *implementing new model with President Perez!*

Campus Budget Allocation Process

2023-24

General Operating Fund - \$247.0 Million

STATE SUPPORT

TUITION & OTHER FEES



Centrally Managed - \$58.1 Million

Financial Aid, Utilities, Risk Pool, Capital Outlay, Health, CCF, SLF, etc.



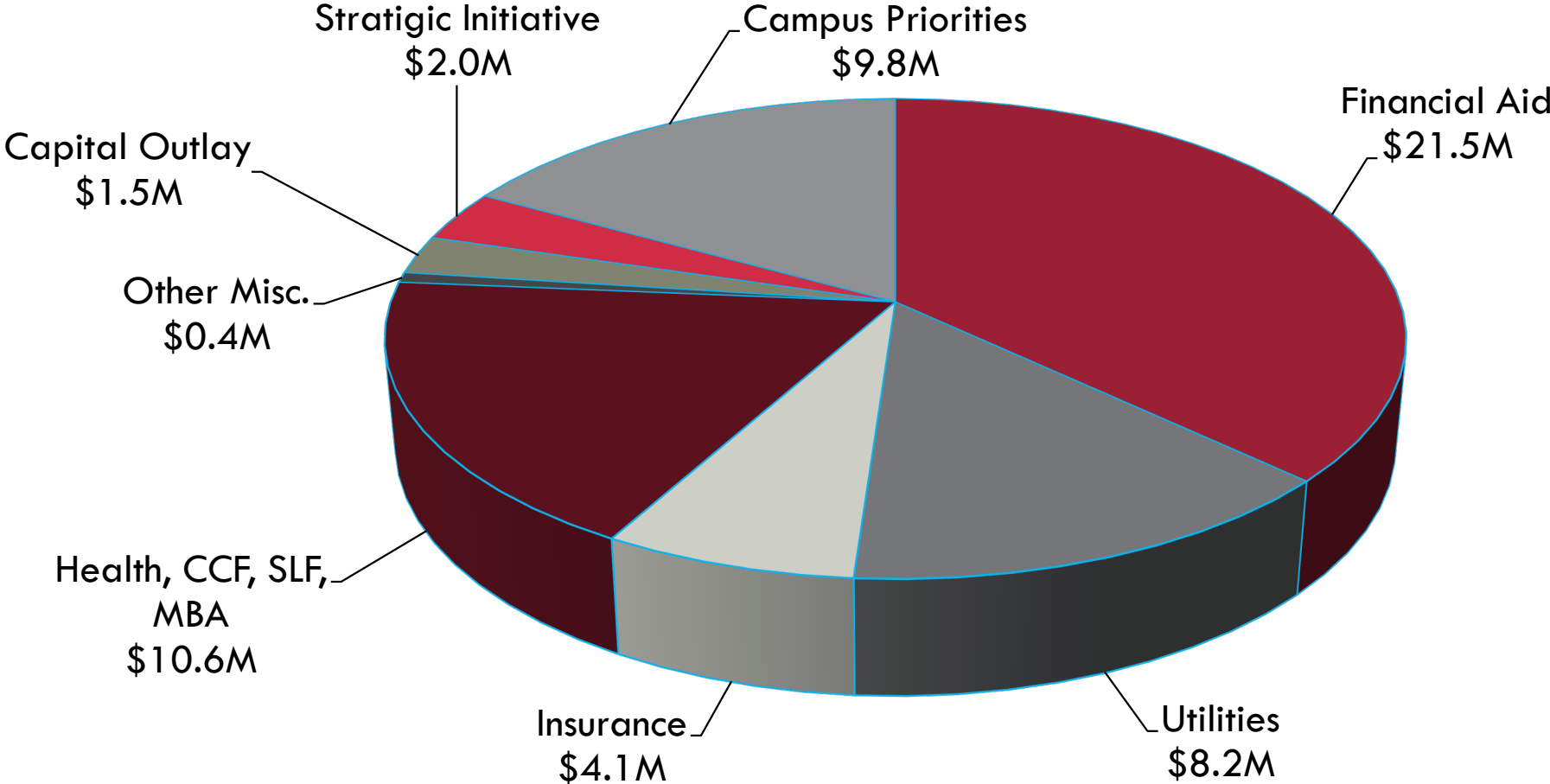
Division Allocations - \$188.9 Million

President, Provost, Business & Finance, Student Affairs, Univ Advancement, & Information Technology

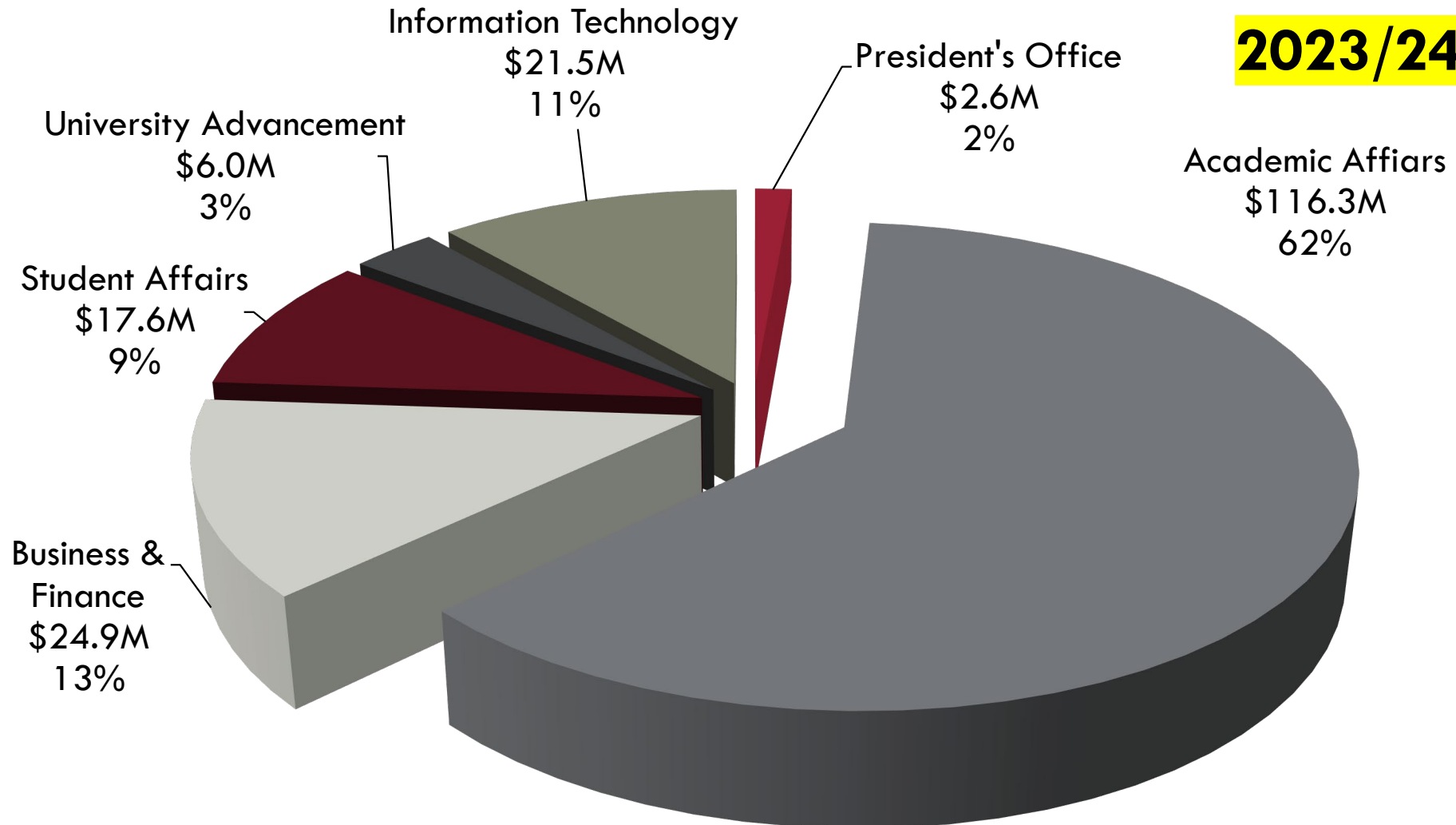


Centrally Managed Allocations \$58.1M

2023/24



Division Allocations \$189M



Division Allocations \$189M

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Provost/Academic Affairs \$116.3M (62%)

- Colleges
- Academic Senate
- Faculty Affairs & Success
- Graduate Studies
- International Education & Global Engagement
- Library
- Professional & Continuing Education
- Undergraduate Education and Academic Success
- CFAC Support
- Chico State Enterprises
- Other Funds

Business & Finance \$24.9M (13%)

- Financial Services
- Human Resources
- Procurement Services
- University Police
- FMS
- Risk Management
- Environmental Health and Safety
- Staff Council
- Title IX

Univ Advancement \$6.0M (3%)

- University Development
- University Public Engagement
- University Communications
- University Box Office
- Advancement Services
- Alumni Engagement
- Annual Giving

Division Allocations \$189M

Information Technology \$21.2M (11%)

- Academic Technologies
- Office of the CIO
- Creative Media & Technologies
- Computing and Comm. Services
- Enterprise Applications
- Information Security
- Information Tech Admin Service Center
- Information Technology Services
- Institutional Research and Strategic Analytics
- Project Change Management Office
- Technology Equity and Inclusion

Student Affairs \$17.6M (9%)

- Academic Advising
- Accessibility Resource Center
- Athletics
- Basic Needs
- Career Center and Student Employment
- Cross-Cultural Leadership Center
- Enrollment Management
- EOSP
- New Student Orientation and Transition Program
- Recreational Sports
- Student Learning Center
- Student Life and Leadership
- Student Rights & Responsibilities
- Wellcat Counseling Center
- Wellcat Health Center
- Wellcat Safe Place
- Wellcat Prevention
- University housing

President \$2.6M (2%)

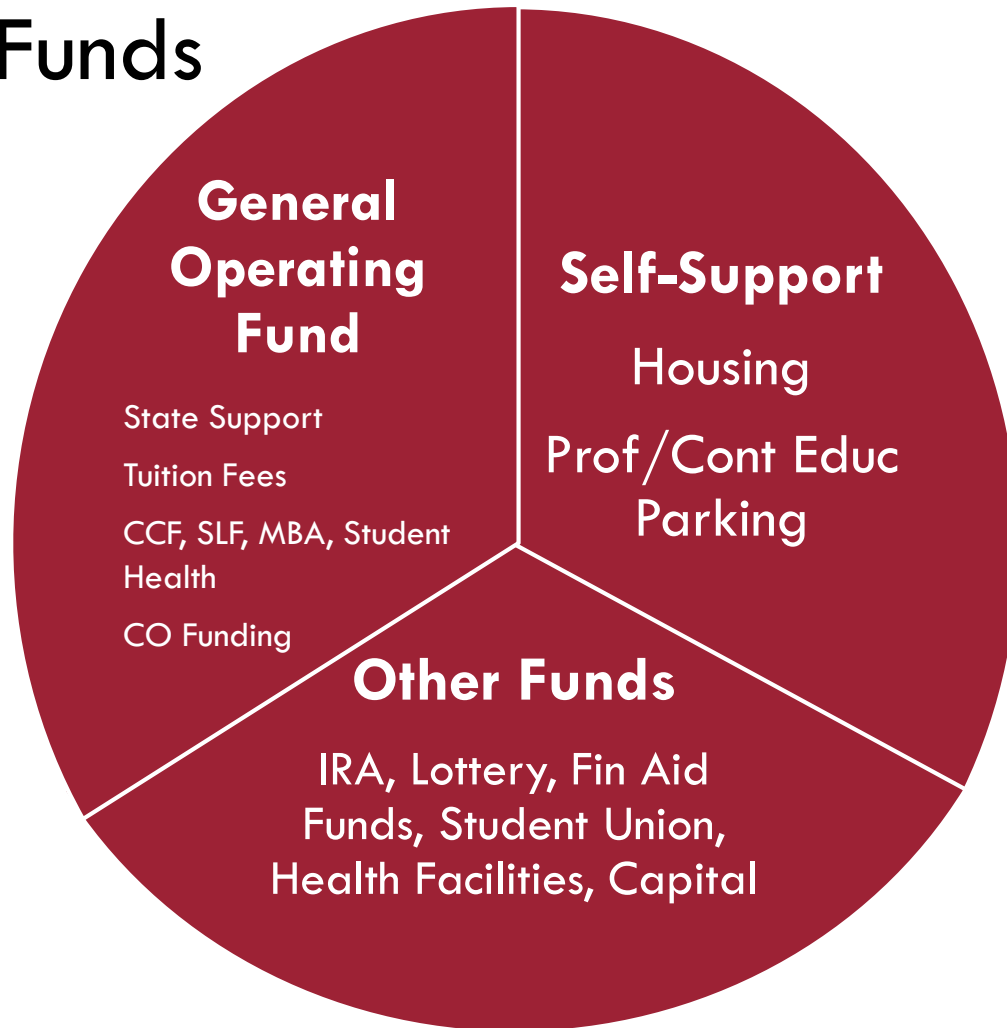
- Tribal Relations
 - Cal NAGPRA
 - Native American Relations
- Diversity Office
- Campus Strategic Plans
- Native American Initiatives

Chico State – University Funding Sources

University Funding Sources

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State Funds



Auxiliary Funds



Other State Funds - Allocation

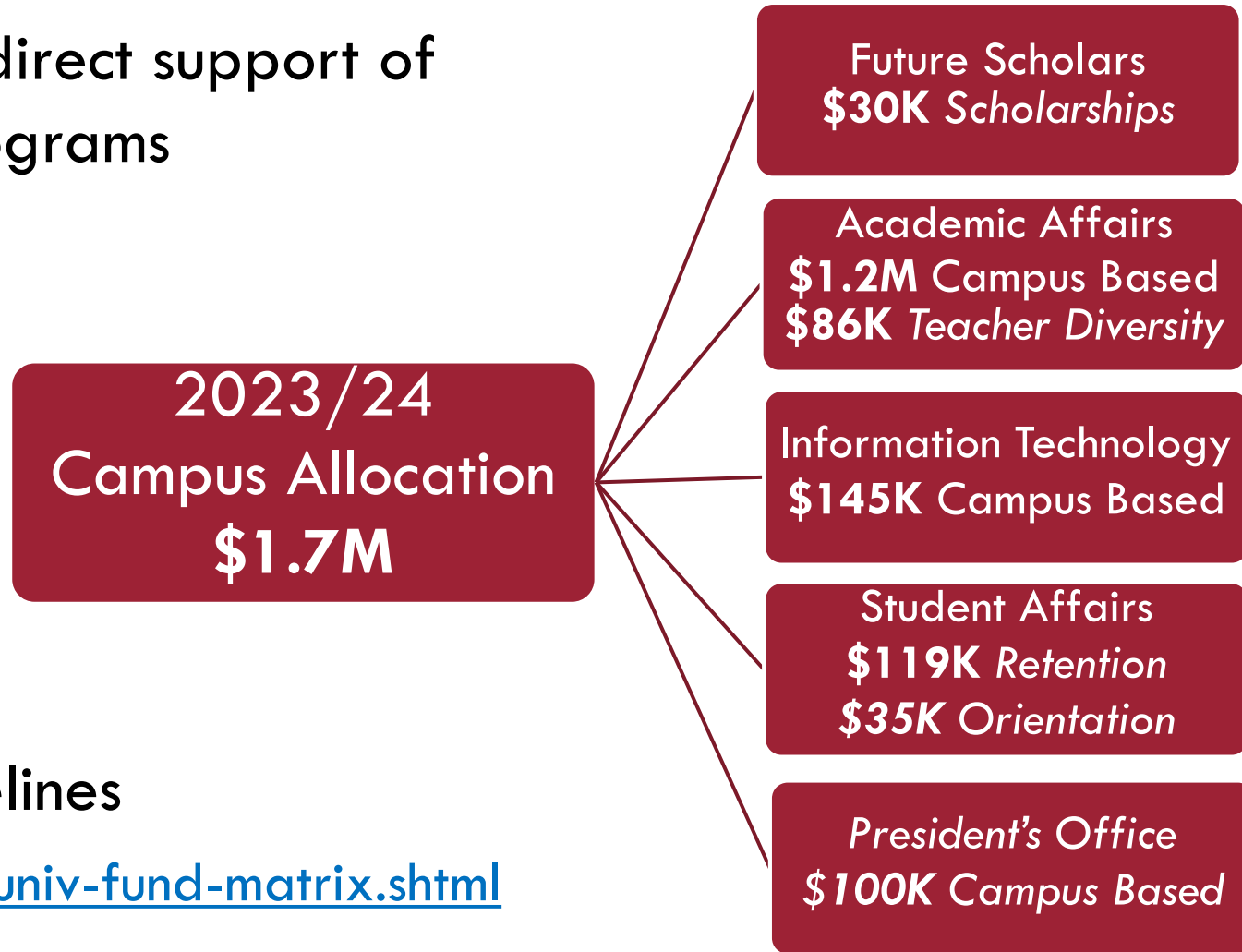
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- Lottery
- Instructionally Related Activities (IRA)
- Consolidated Course Fees (CCF)
- Student Learning Fees (SLF)

**Additional Other State Funds include: Health Facilities, Financial Aid, Student Union, Capital Projects, and Misc. Trust Funds*

Other State Funds - Lottery

Supplemental, direct support of instructional programs



Spending Guidelines

csuchico.edu/bud/univ-fund-matrix.shtml

Other State Funds – IRA (*Instructionally Related Activities*)

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Out-of-classroom activities and experiences integrally related to the formal instructional offering

2023/24
Est Fee Rev
\$5.5M

Athletics & Rec Sports
\$4.1M

IRA Programs
\$1.4M

Information & Spending Guidelines

<http://www.csuchico.edu/ira>

Other State Funds – CCF (*Consolidated Course Fees*)

- Campus-Based Mandatory Fee
- Authorized by EO 1049
Beginning in 10/11: \$26 per AY, no annual increase, no financial aid set-aside.
- \$100,000 augmentation from SLF since no annual increase

- Spending Guidelines

csuchico.edu/bud/student-fee-info.shtml

**2023/24 Revenue
Est. \$460,000**

College	%	2023-2024 Allocation
College of Agriculture	5%	\$17,360
Behavioral & Social Science	5%	\$19,580
College of Business	7%	\$34,110
Communication & Education	19%	\$81,320
Engineering Comp Sci & Cnst Mg	18%	\$82,070
Humanities & Fine Arts	13%	\$58,460
Natural Sciences	33%	\$137,100
BCCER Funding		\$30,000
Grand Total	100%	\$460,000

Other State Funds – SLF (*Student Learning Fee*)

- Campus-Based Mandatory Fee
- Authorized by EO 1049

Beginning in 10/11: \$20 per AY, increasing \$8 per AY (\$88 in 18/19 after referendum), with 33% financial aid set-aside.



- Awards, Guidelines, Proposal Info
www.csuchico.edu/slf/

\$2,555,000	Revenue Estimate
(\$843,000)	Financial Aid Set-aside
(\$100,000)	SLC Funding
(\$100,000)	CCF Augment
\$1,512,000	Award Amount

Self-Support Funds - State

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- Revenues must cover expenditures
- Do not receive state support
- Annual debt costs for infrastructure improvements:
 - ✓ Housing - \$3.5M
 - ✓ Parking - \$636K

2023/24 Projected Revenues

Housing
\$19.9M

Professional & Continuing Education

PCE
\$9.2M

Parking
\$1.2M

Auxiliary Organization Funds

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2023/24 Projected Revenues

- Separate legal entities authorized to provide essential services to CSU educational programs
- Fiduciary responsibility to governing boards

AS

\$22.2M

CSE

\$45.9M

UF

\$10.9M

Budget Terminology & Other Resources

Important Budget Terms

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BASE

DEFINITION

Budget for permanent base personnel and O&E expenses that recur annually.

SOURCE

Current Year Operating Fund Budget

EXAMPLES

Permanent Salary & Benefits
Utilities/Printing/Supplies
Software Maint Agreements

ONETIME

Funding provided for specified one-time expenses that are not recurring.

Reserves/Carryover

Special Consultants/Capital
Projects/Equipment
Replacement

Budget and Finance Resources

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- ✓ University Funding Sources

 - csuchico.edu/bud/univ-fund-matrix.shtml

- ✓ Open Book -

 - <https://csuchico.openbook.questica.com/>

Other Resources

- ✓ Glossary of Budget Related Terms

- ✓ Campus Budget Plans

- ✓ Previous Presentations

 - www.csuchico.edu/bud

Questions?

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Information available on University Budget website

csuchico.edu/bud/transparency-reporting.shtml

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