Topics to Cover

- 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

- 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

- **January** – Governor’s initial budget proposal
- **May** – Proposed revision to January budget
- **June** – Budget plan is finalized
- **July** – New year budget is allocated
The January, May and Final Budget documents are posted to the California Budget website: [ebudget.ca.gov](http://ebudget.ca.gov)
California Budget Analysis

- 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
Where does the CSU fit in?

- 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

- 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

- 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
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

2023-24 Meeting Schedule

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
Annual Budget Cycle

July-Aug
- CSU future year budget planning

September
- Trustees adopt CSU budget request to be submitted to the Governor

January
- Governor’s Proposed Budget submitted to Legislature

February
- Legislative Analyst’s budget analysis released

May
- Governor’s May Revision

June
- State Budget Adopted
- CSU Budget Finalized

Governor’s Proposed Budget
(January)

Legislative Budget Hearings & Advocacy
(May)

May Revision
(May)

Enacted Budget
(Summer)
California’s Fiscal Outlook (Dec 7th)
https://lao.ca.gov/Publications/Report/4819

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

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 of California - $311 Billion
Governor’s January Budget → May Revise → Final June Budget

Higher Education - $23.5 Billion
7.56% of State Budget

California State University - $5.0 Billion
21.2% of Higher Education Budget

CSU, Chico - $157 Million
3.1% of CSU Campus Budgets
## CSU, Chico Operating Fund Budget

<table>
<thead>
<tr>
<th></th>
<th>2022/23</th>
<th>2023/24</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Support Allocation</td>
<td>152,905,000</td>
<td>156,905,000</td>
</tr>
<tr>
<td>Tuition Fees</td>
<td>74,164,000</td>
<td>73,408,000</td>
</tr>
<tr>
<td>Other Fees &amp; Revenue</td>
<td>16,358,462</td>
<td>16,750,462</td>
</tr>
<tr>
<td><strong>Total Budgeted Revenues</strong></td>
<td><strong>243,427,462</strong></td>
<td><strong>247,063,462</strong></td>
</tr>
</tbody>
</table>

Centrally Managed Allocations | 46,735,558 | 58,110,962 |
Division Allocations          | 196,691,904 | 188,952,500 |
**Total Budgeted Allocations** | **243,427,462** | **247,063,462** |

$3.6\text{ M}$

Campus Budget Plans online at [csuchico.edu/bud/transparency-reporting.shtml](http://csuchico.edu/bud/transparency-reporting.shtml)
Budgeted Revenues $247M – 2023/24

- State Support Allocation: $156,905,000 (63%)
- Tuition Fees: $73,408,000 (30%)
- 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

<table>
<thead>
<tr>
<th>mandatory Costs</th>
<th>(1) Health Premiums</th>
<th>(2) Operations &amp; Maintenance of New Facilities</th>
<th>(3) Liability &amp; Property Insurance Premiums</th>
<th>(4) enrollment Growth</th>
<th>(5) Other Program Adjustments</th>
<th>(6) state University Grant 5% Redistibution</th>
<th>(7) 2023-24 Expenditure Adjustments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bakersfield</td>
<td>$1,210,000</td>
<td>$247,000</td>
<td></td>
<td></td>
<td></td>
<td>$520,000</td>
<td></td>
</tr>
<tr>
<td>Channel Islands</td>
<td>$936,000</td>
<td>$177,000</td>
<td></td>
<td></td>
<td></td>
<td>(446,000) 958,000</td>
<td></td>
</tr>
<tr>
<td>Chico</td>
<td>$1,984,000</td>
<td>$454,000</td>
<td></td>
<td></td>
<td></td>
<td>(1,061,000) 1,377,000</td>
<td></td>
</tr>
<tr>
<td>Dominguez Hills</td>
<td>$1,566,000</td>
<td>$22,000</td>
<td></td>
<td></td>
<td></td>
<td>$1,178,000</td>
<td></td>
</tr>
</tbody>
</table>
## Allocation of New Operating Funds - incremental

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

$0
Budgeted Expenditures $284M – 2023/24

- Salaries & Wages: $128,113,913 (45%)
- Benefits: $76,176,381 (27%)
- Financial Aid: $21,368,919 (7%)
- Restricted Student Fees: $10,617,000 (4%)
- Division OE: $22,805,446 (8%)
- Mandatory Central Costs *: $25,721,302 (9%)
- $247 State Supp/Tuition
- $15M Other Revenue
- $22M Use of Reserves

* Includes $9.8M for Campus Priorities
• Budget Timing – point in time, varies
• Est Governor solved budget problem of $58B
  • ¾ of solutions focuses on spending
  • ¼ 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.

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 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

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

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

2023-24
Centrally Managed Allocations $58.1M

- Financial Aid $21.5M
- Utilities $8.2M
- Insurance $4.1M
- Health, CCF, SLF, MBA $10.6M
- Other Misc. $0.4M
- Capital Outlay $1.5M
- Strategic Initiative $2.0M
- Campus Priorities $9.8M

2023/24
Division Allocations $189M

- President’s Office: $2.6M (2%)
- Academic Affairs: $116.3M (62%)
- Business & Finance: $24.9M (13%)
- Information Technology: $21.5M (11%)
- University Advancement: $6.0M (3%)
- Student Affairs: $17.6M (9%)
## Division Allocations $189M

<table>
<thead>
<tr>
<th>Provost/Academic Affairs $116.3M (62%)</th>
<th>Business &amp; Finance $24.9M (13%)</th>
<th>Univ Advancement $6.0M (3%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Colleges</td>
<td>• Financial Services</td>
<td>• University Development</td>
</tr>
<tr>
<td>• Academic Senate</td>
<td>• Human Resources</td>
<td>• University Public Engagement</td>
</tr>
<tr>
<td>• Faculty Affairs &amp; Success</td>
<td>• Procurement Services</td>
<td>• University Communications</td>
</tr>
<tr>
<td>• Graduate Studies</td>
<td>• University Police</td>
<td>• University Box Office</td>
</tr>
<tr>
<td>• International Education &amp; Global Engagement</td>
<td>• FMS</td>
<td>• Advancement Services</td>
</tr>
<tr>
<td>• Library</td>
<td>• Risk Management</td>
<td>• Alumni Engagement</td>
</tr>
<tr>
<td>• Professional &amp; Continuing Education</td>
<td>• Environmental Health and Safety</td>
<td>• Annual Giving</td>
</tr>
<tr>
<td>• Undergraduate Education and Academic Success</td>
<td>• Staff Council</td>
<td></td>
</tr>
<tr>
<td>• CFAC Support</td>
<td>• Title IX</td>
<td></td>
</tr>
<tr>
<td>• Chico State Enterprises</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Other Funds</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
# 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

State Funds

General Operating Fund
- State Support
- Tuition Fees
- CCF, SLF, MBA, Student Health
- CO Funding

Self-Support
- Housing
- Prof/Cont Educ
- Parking

Other Funds
- IRA, Lottery, Fin Aid Funds, Student Union, Health Facilities, Capital

Auxiliary Funds
- AS
- CSE
- UF
Other State Funds - Allocation

- 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

2023/24 Campus Allocation $1.7M

Future Scholars $30K Scholarships
Academic Affairs $1.2M Campus Based $86K Teacher Diversity
Information Technology $145K Campus Based
Student Affairs $119K Retention $35K Orientation
President’s Office $100K Campus Based

Spending Guidelines
csuchico.edu/bud/univ-fund-matrix.shtml
Other State Funds – IRA (*Instructionally Related Activities*)

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](http://csuchico.edu/bud/student-fee-info.shtml)

### 2023/24 Revenue

<table>
<thead>
<tr>
<th>College</th>
<th>%</th>
<th>2023-2024 Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>College of Agriculture</td>
<td>5%</td>
<td>$17,360</td>
</tr>
<tr>
<td>Behavioral &amp; Social Science</td>
<td>5%</td>
<td>$19,580</td>
</tr>
<tr>
<td>College of Business</td>
<td>7%</td>
<td>$34,110</td>
</tr>
<tr>
<td>Communication &amp; Education</td>
<td>19%</td>
<td>$81,320</td>
</tr>
<tr>
<td>Engineering Comp Sci &amp; Cnst Mg</td>
<td>18%</td>
<td>$82,070</td>
</tr>
<tr>
<td>Humanities &amp; Fine Arts</td>
<td>13%</td>
<td>$58,460</td>
</tr>
<tr>
<td>Natural Sciences</td>
<td>33%</td>
<td>$137,100</td>
</tr>
<tr>
<td>BCCER Funding</td>
<td></td>
<td>$30,000</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>100%</strong></td>
<td><strong>$460,000</strong></td>
</tr>
</tbody>
</table>
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/](http://www.csuchico.edu/slf/)

- Revenue Estimate
- Financial Aid Set-aside
- SLC Funding
- CCF Augment
- Award Amount

23/24 Fee
$196 per AY

$2,555,000
($843,000)
($100,000)
($100,000)
$1,512,000
Self-Support Funds - State

- 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

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

<table>
<thead>
<tr>
<th>2023/24 Projected Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>AS</td>
</tr>
<tr>
<td>$22.2M</td>
</tr>
<tr>
<td>CSE</td>
</tr>
<tr>
<td>$45.9M</td>
</tr>
<tr>
<td>UF</td>
</tr>
<tr>
<td>$10.9M</td>
</tr>
</tbody>
</table>
Budget Terminology & Other Resources
Important Budget Terms

**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**

- Definition: Funding provided for specified one-time expenses that are **not recurring**.
- Examples: Reserves/Carryover, Special Consultants/Capital Projects/Equipment Replacement
Budget and Finance Resources

✓ 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?

Information available on University Budget website

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

Stacie Corona
Associate VP, Financial Services

Anna Magana
Director, University Budget

Josh James
Assistant Director, University Budget