

2017-18 Budget Planning Assumptions

The following are current planning assumptions to use for five-year planning, with specific notes for 2017-18 assumption updates:

	2017-18	2018-19	2019-20	2020-21	2021-22
Enrollment	-3.5%	0%	0%	0%	0%
HEPI	1.8%	2%	2%	2%	2%
Salary – Faculty	4.5%	2%	2%	2%	2%
Salary – Staff	5%	2%	2%	2%	2%
Salary – MPP	3%	2%	2%	2%	2%
Benefits	7%	7%	7%	7%	7%
OE	Variable	1.9%	1.9%	1.9%	1.9%

Enrollment: -3.5% for 2017-18, flat in subsequent years

2017-18 enrollment decrease reflects preliminary budget planning target. Future flat enrollment reflects conservative budget planning and is not reflective of growth initiatives underway.

Higher Education Price Index (HEPI): 1.8% for 2017-18, 2% subsequent years

2017-18 HEPI is based on the 2016 report released from Commonfund. The subsequent year amount is based on 5 year average of the regression HEPI column in the same report.

Faculty Salaries: 4.5% for 2017-18, 2% subsequent years

For 2017-18, the faculty GSI is 3.5%; however, there is also an additional SSI component, which the system has estimated will be approximately 1% additional (on average) but will be specific to employees - therefore, we are using 4.5% average increase for faculty - some will be more, some less.

Staff Salaries*: 5% for 2017-18, 2% subsequent years

This is preliminary and negotiations are still underway. Currently, staff will receive 2% in 2017-18 as a result of the "fairness clauses" from last year's faculty negotiations. In addition, the CSU system has projected a 3% increase in their Support Budget Request to the State on top of the 2%, but negotiations are still underway. (*Note: Unit 8 – Public Safety has a 2% negotiated for 17-18 and the fairness clause does not apply.)

Administrators (MPP) Salaries: 3% for 2017-18, 2% subsequent years

This is preliminary and negotiations are still underway. Assumes Administrators will get the same % increase that results from the current staff negotiations. Administrators do not get the 2% fairness clause.

Benefits: 7% for 2017-18 and subsequent years

Estimate increase of 7% for five years based on anticipated GSIs, May 2017 CalPERS retirement rate projections, five-year average medical rate increases, and benefit increases related to salary increases (percentage of salary driven benefits - retirement, OASDI, Medicare)

Operating Expenses (OE): Determined by area analysis for 2017-18, 1.9% for subsequent years

The 2017-18 OE amount is based on the area analysis of spending trends and other annual budget planning activity. The subsequent year percentage is based on a ten-year average of both miscellaneous services (H4.5) and supplies and materials (H5.0) from the 2016 HEPI report released from Commonfund. There has been significant volatility in the past five years of the supplies and materials column so the average was expanded from the typical 5 year average to ten years.