

# Fiscal Year 2024-25 Budget Planning Scenarios - Parameters / Potential Gaps



# ➤ Revenue Considerations

- **1% Enrollment Growth = \$355,000**
  - With retention improvement -> \$400,000
- **1% Enrollment Recalibration = \$680,000**  
(3% = \$2.0m, 5% = \$3.4m)
  - It takes 2% enrollment growth to offset every 1% in enrollment recalibration
- **1% Unfunded compensation = \$1.1 million**
  - It takes 3% enrollment growth to offset 1% unfunded compensation
  - It takes 10% incoming student growth to offset 1% unfunded compensation

# ➤ Expense Considerations

- **Compensation**

Personnel costs comprise **80 percent** of the University budget so any budget balancing of significant magnitude will inevitably affect employees. Collective bargaining agreements place the greatest pressure on the expense budget. Each 1% increase requires \$1.1 million in new, ongoing funding.

- **Operating Costs**

The operating budget makes up about **13 percent** of the overall budget. Not all budgeted operating costs are discretionary (e.g., utilities).

- **Financial Aid**

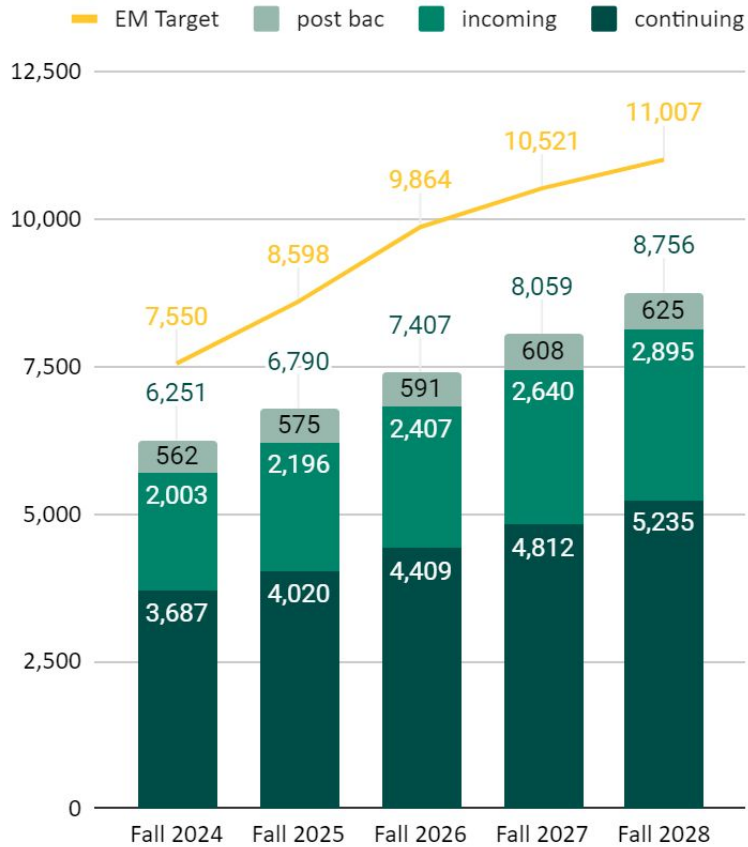
The University has made sustained efforts to preserve financial aid as an important focus of our public mission to California residents. Comprises **7 percent** of the overall campus budget.

# ➤ FY25 Budget Planning Parameters

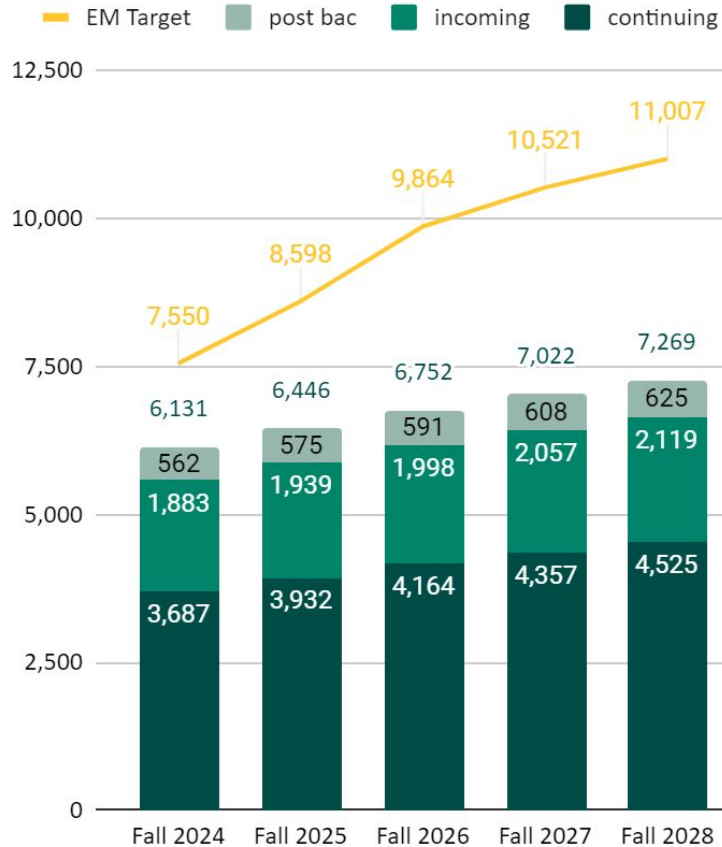
Parameter	Best Case Scenario	Baseline Scenario	Worst Case Scenario
Enrollment – first-time undergraduate and transfers	10% increase	3% increase	Flat enrollment
Enrollment – continuing undergraduate	2.2% increase	2.2% increase	Flat enrollment
First Year Retention	76.5% retention	76.5% retention	Flat 75.3% retention
<i>Total Enrollment</i>	<i>4.6%</i>	<i>2.6%</i>	<i>0%</i>
State Funding Claw Back (enrollment recalibration)	No reduction	3% reduction over five years	5% reduction over three years
Compensation Increase*	5% increase	5% increase	7% increase



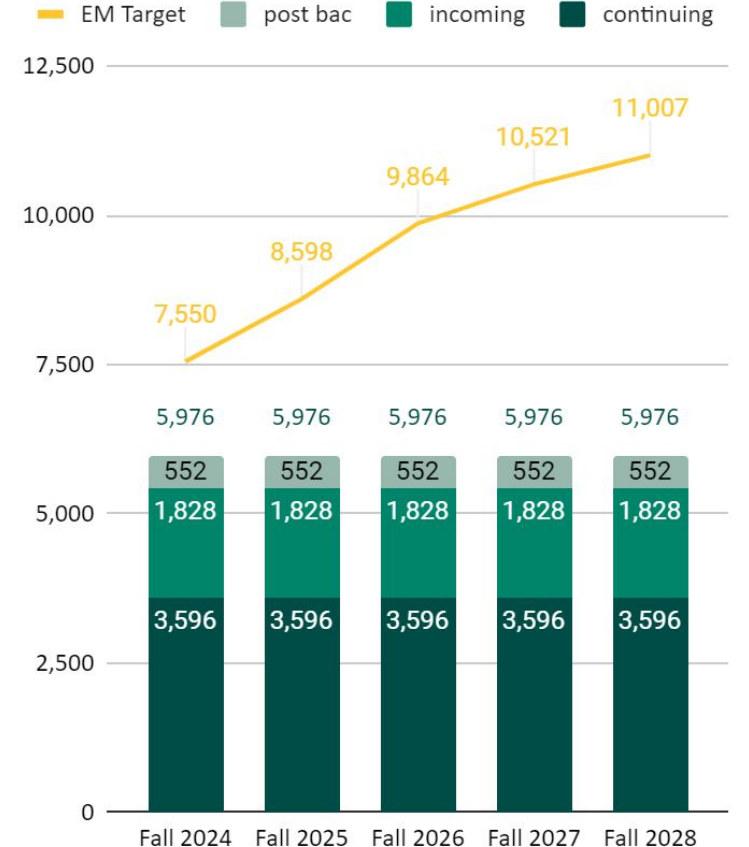
### Fall Headcount - Best



### Fall Headcount - Baseline



### Fall Headcount - Worst (Flat)

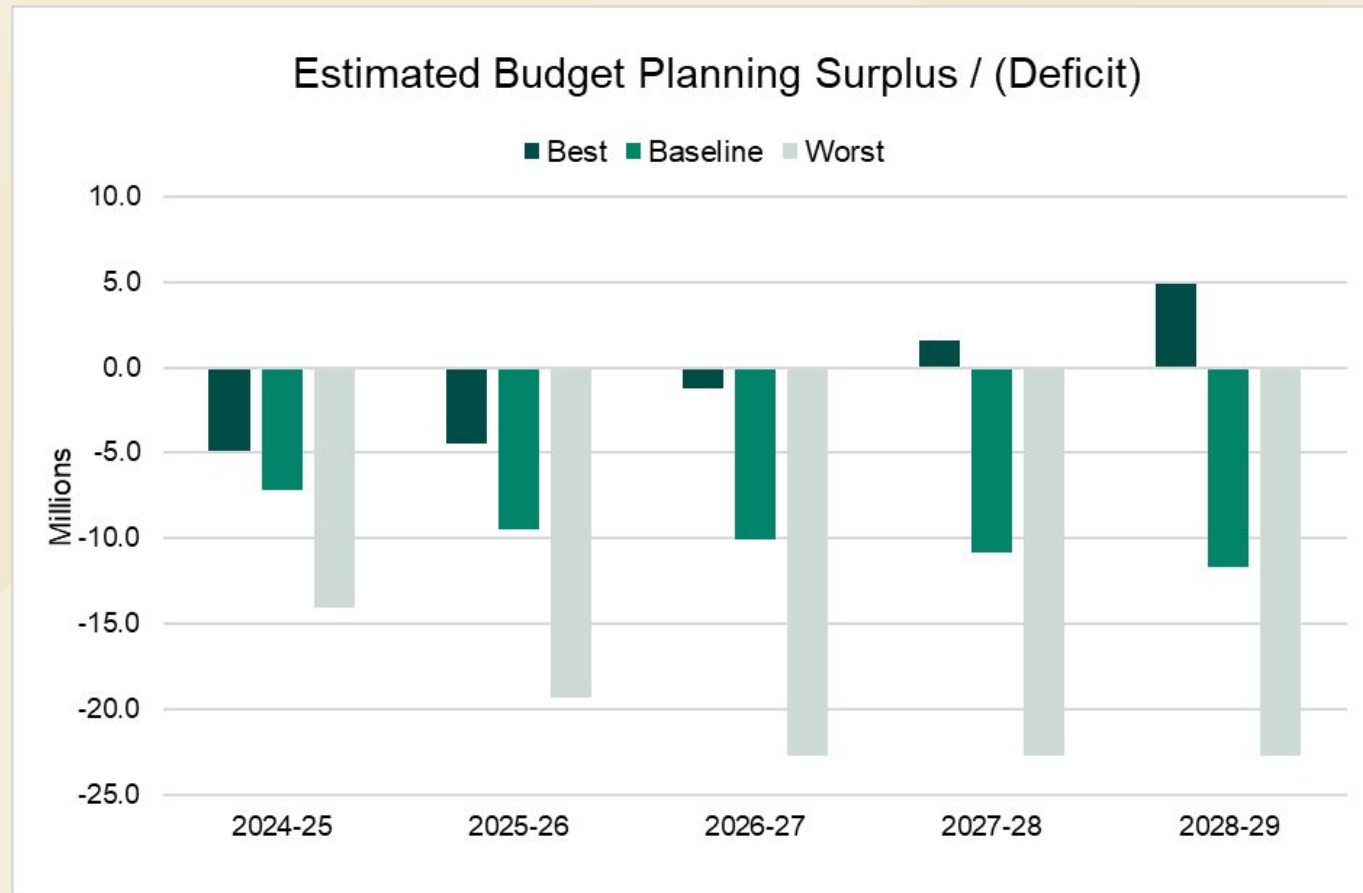




# > FY 25-29 Budget Planning

Assuming the budget planning parameters for Fiscal Year 2024-25 remain constant, the projected reduction will vary from year to year.

In each scenario, the rate of recovery varies depending on the duration of the clawback period and rate of enrollment growth. Applying ongoing budget cuts at the deepest level could create longer-term challenges.



**2024-25 Updated  
Planning Range**

**-\$5m to -\$14m**

