

2023-24 URPC Presentation

September 22, 2023

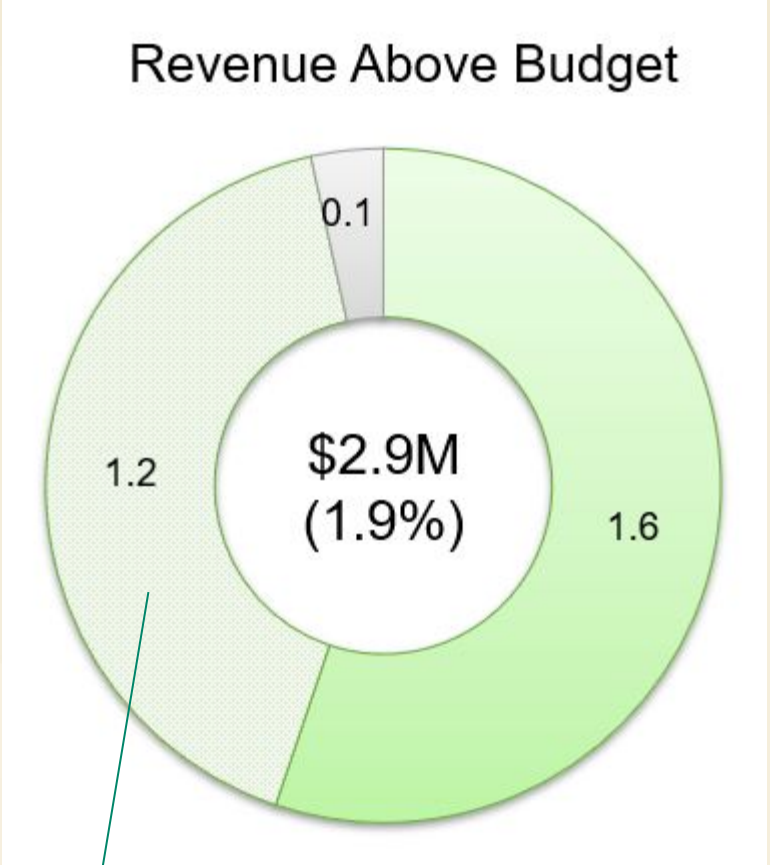
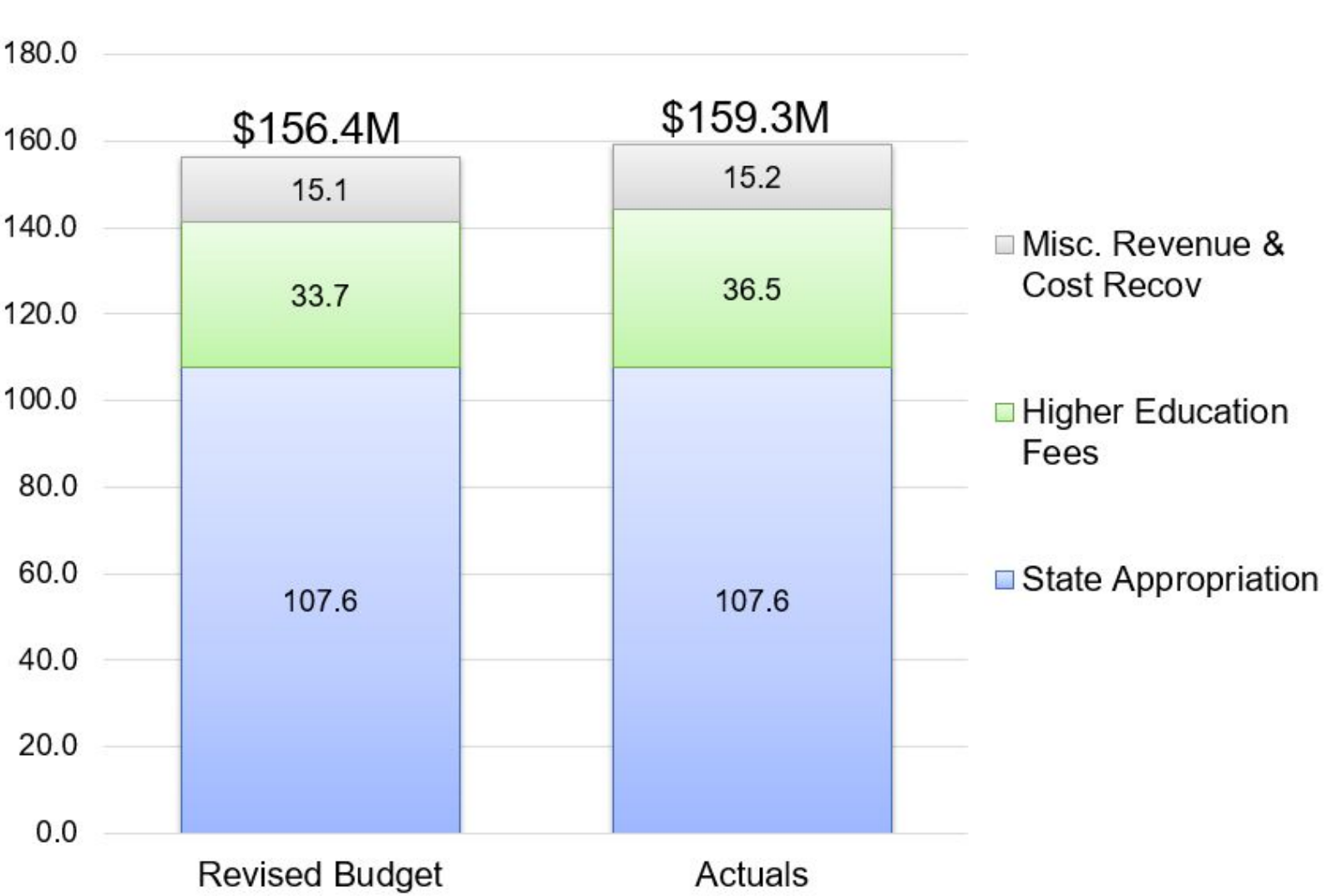


Agenda

- 2022-23 Operating Fund Year End Overview
- 2022-23 Operating Fund Roll Forward Distribution
- 2024-25 CSU Budget Plan/Request
- Five-Year Planning Projection
- Cost Savings Measures
 - Review EEP Program

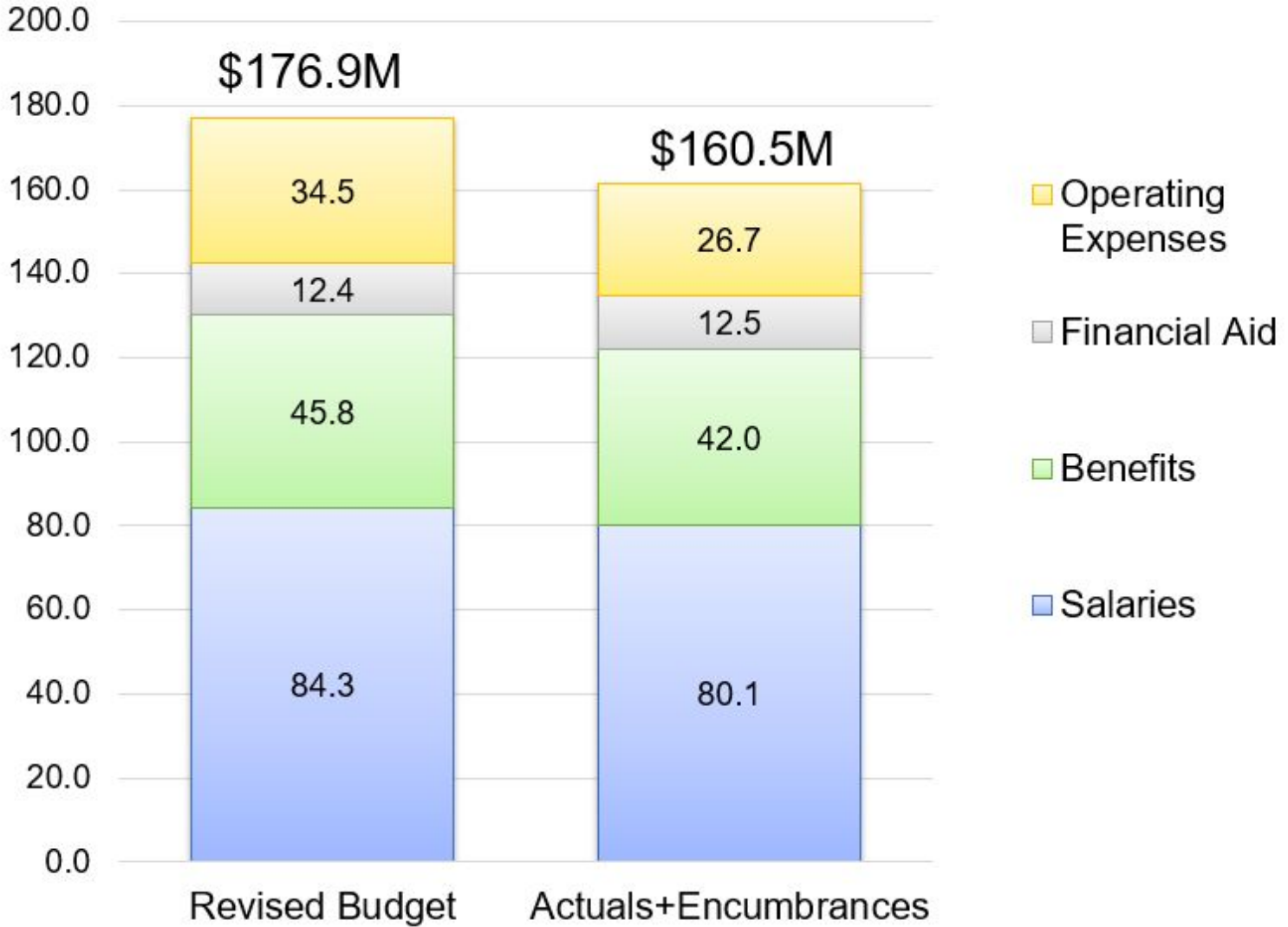
2022-23 Year End (*Operating Fund*)

2022-23 Revenue Budget to Actuals Summary

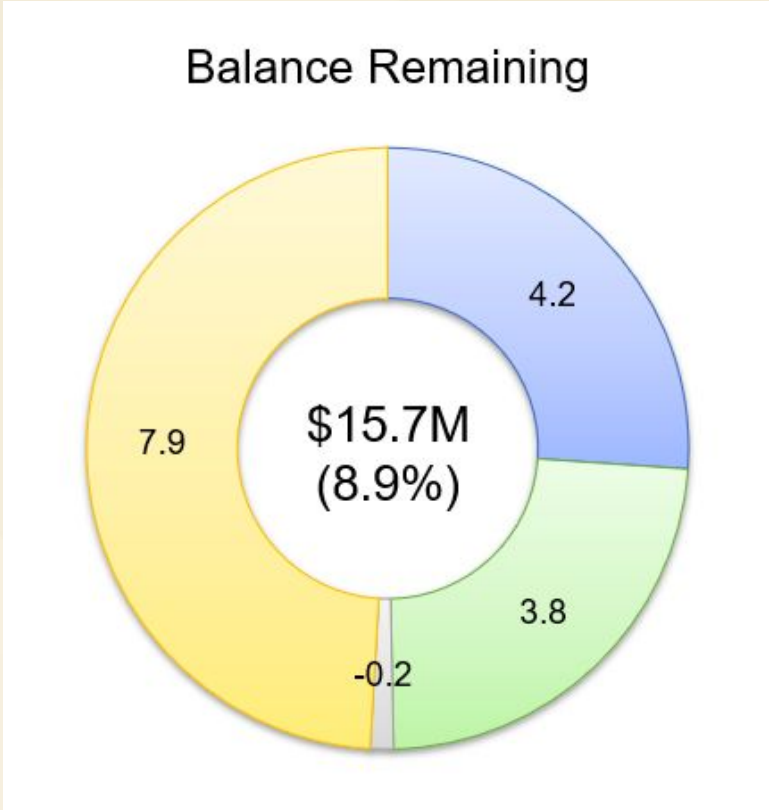


\$1.2m summer revenue due to timing

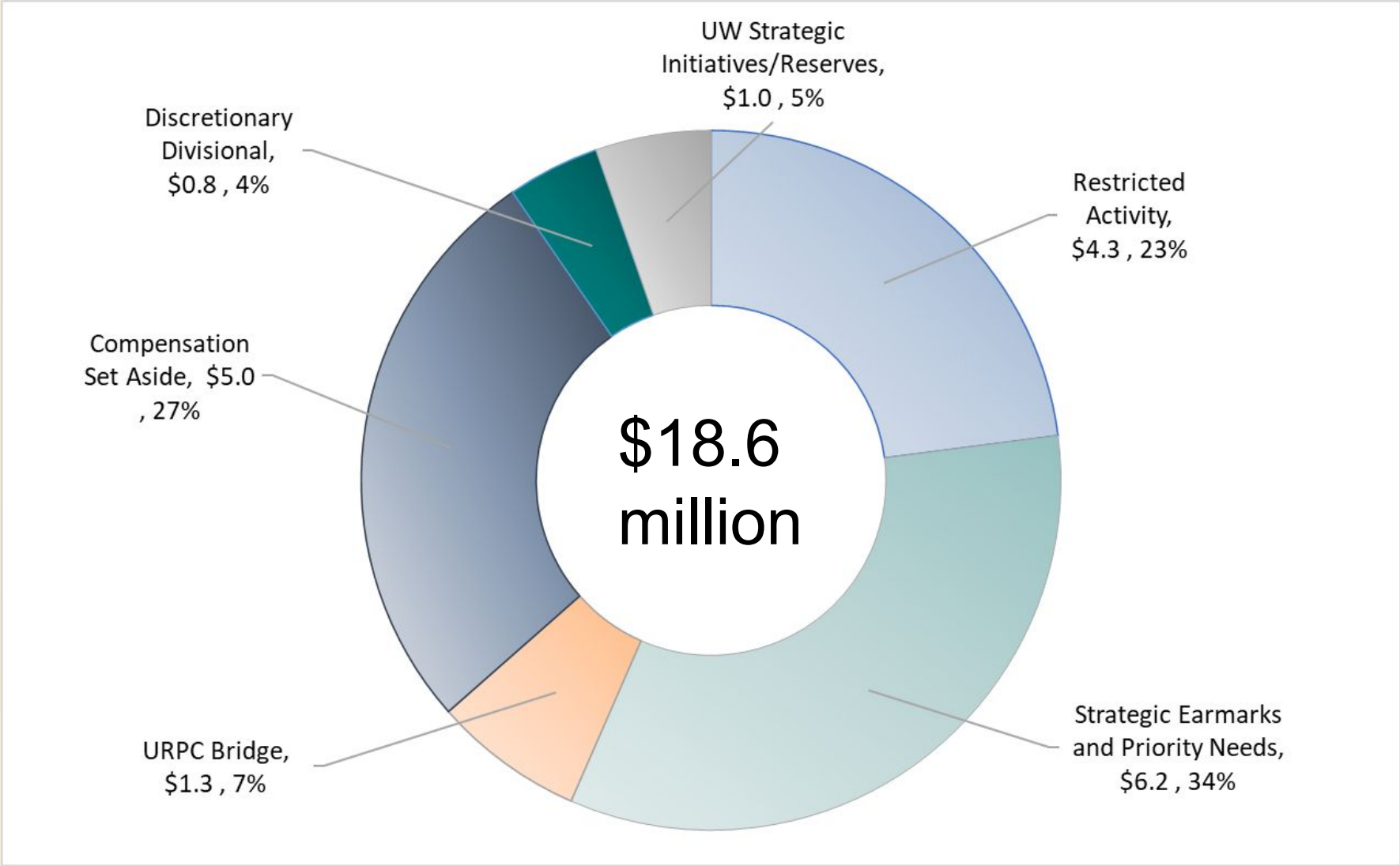
2022-23 Expenditure Budget to Actuals Summary



91.1% Spent



2022-23 Roll Forward Summary (in millions)



2024-25 CSU Budget Plan

2024-25 CSU Budget Plan

CSU The California State University

Funding Priorities

- Increased funding for State University Grant program
- Academic and student services support
- Basic needs and mental health services
- Title IX implementation and ongoing costs
- Infrastructure, including new facilities and ongoing maintenance
- Compensation to attract and retain outstanding faculty and staff

2024-25 CSU Budget Plan - Tuition Proposal Approved

Multi-Year Tuition Proposal

- A Board action at this meeting would put in place scheduled tuition rate increases for five years, beginning in fall 2024.
- Per the new tuition policy, an assessment is required on the effects of tuition and the Board will determine any rate changes for 29-30 and beyond.
- The annual rate increase would be 6% per year for all levels of education.
- The first increase would be \$342 for the academic year for full-time California undergraduate students.
- This tuition proposal will sunset at the end of 28-29.

2024-25 CSU Budget Plan - Tuition Rates

Source: [CSU Tuition Proposal website](#)

	Academic Year					
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Undergraduate (6.1+ units)	\$ 5,742	\$ 6,084	\$ 6,450	\$ 6,838	\$ 7,248	\$ 7,682
Undergraduate (0-6 units)	\$ 3,330	\$ 3,528	\$ 3,738	\$ 3,962	\$ 4,200	\$ 4,452
Credential (6.1+ units)	\$ 6,660	\$ 7,062	\$ 7,488	\$ 7,938	\$ 8,414	\$ 8,918
Credential (0-6 units)	\$ 3,864	\$ 4,098	\$ 4,344	\$ 4,604	\$ 4,880	\$ 5,172
Graduate (6.1+ units)	\$ 7,176	\$ 7,608	\$ 8,064	\$ 8,548	\$ 9,060	\$ 9,604
Graduate (0-6 units)	\$ 4,164	\$ 4,416	\$ 4,680	\$ 4,960	\$ 5,258	\$ 5,574

1/3 of increases invested back into financial aid (State University Grant)

2024-25 CSU Budget Plan - New Sources

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
TOTAL NEW SOURCES	\$412,851,000	\$144,546,000	\$557,397,000

Source: [2024-25 CSU Budget Plan website](#)

2024-25 PROPOSED INCREASE

\$557,397,000

PROPOSED OPERATING BUDGET INCREASE

Workforce
Investments
\$242.0 M

Student Access
& Success
\$115.5 M

Institutional
Support
\$55.4 M

Workforce
Investments
\$57.0 M

Institutional
Support
\$53.5 M

Student
Access
&
Success
\$34.0 M

\$412.9M

TUITION & WITHIN COMPACT

\$144.5M

ABOVE COMPACT

Workforce Investments - Compensation

CSU Workforce Investments

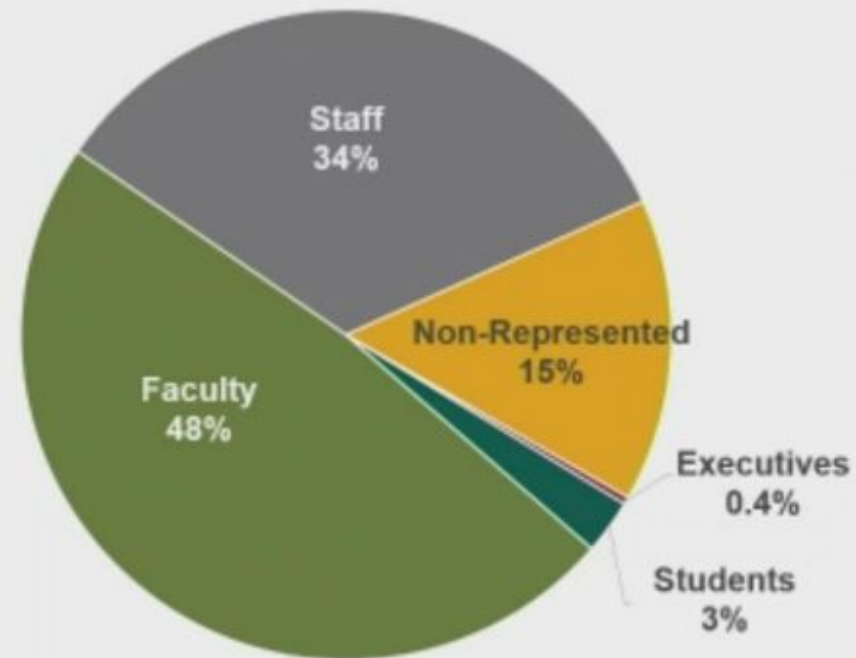
Recent Compensation Increases 21-22 and 22-23

Faculty 4% + 3% General Salary Increase (GSI)	\$196 million
Staff 7% GSI	\$101 million
Non-represented 7% GSI	\$54 million

24-25 Cost

Each 1% compensation increase = \$55 m

22-23 Salaries & Benefits \$6 billion



At Compact, funding for 3%,
Funding "Above Compact" would support 4%

Workforce Investments - Compensation

CSU The California State University

Cost of 5% for All Employees & Estimated Campus Funds Needed

	23/24	24/25	25/26	Total
Cost of 5% Increase	\$261	\$277	\$291	\$829
Compact Funds for Comp	\$123	\$68	\$112	\$303
Campus funds needed	\$138	\$209	\$179	\$526
Tuition Rate Increase	\$0	\$99	\$105	\$204
Campus Funds Needed	\$138	\$110	\$74	\$322

At 5% over 3 years, Cal Poly Humboldt's estimated campus share (~2.2%) is estimated between \$7m-\$7.5m

All dollars are in millions.

The dollars above assume full compact funding from the state, estimated required operational costs, along with a tuition increase of 6%.

2024-25 CSU Budget Plan

Revenue is Not Enough: Bending the Cost Curve

- Narrowing the funding gap
- Academic program reviews to be strengthened
- Potential opportunities for collaborative academic models
- Initiate new review of new multi-university collaborations
- Assess more opportunities to leverage 23 university system

Five Year Planning Assumptions and Initial Projections

Budget Planning Variables

- **Sources of Funding (Revenue)**
 - State Funding: estimated at Compact
 - Governor's Budget in January will signal
 - 6% Tuition Increase: +\$2m per year, $\frac{1}{3}$ to financial aid
 - Enrollment Growth as of August 2023 estimate: \$0 to +\$4.0m
 - Enrollment Recalibration: \$0 to -\$3.4m per year
 - Poly 2024-25 funding estimate: \$2.3m (\$11.5m remaining)

Budget Planning Variables

- **Uses of Funding (Expenditures)**

- Collective Bargaining estimated funding gap over three years (1% = ~\$1.1m)
 - 5% x 3 years: \$7.5m
 - 6% x 3 years: \$11.0m
 - 7% x 3 years: \$14.7m
- Financial Aid: $\frac{1}{3}$ of tuition rate increase ~\$700k
- Utilities & Insurance Cost Increases: \$700k - \$1m+
- Base Allocation Priorities: \$1.5m (reflects 23-24 priorities bridged with Operating Fund one-time)
- Poly 2024-25 funding estimate: \$2.3m (\$11.5m remaining)
- System Earmarks: TBD

Estimated Budget Planning Surplus / (Deficit) @90% Enrollment Target

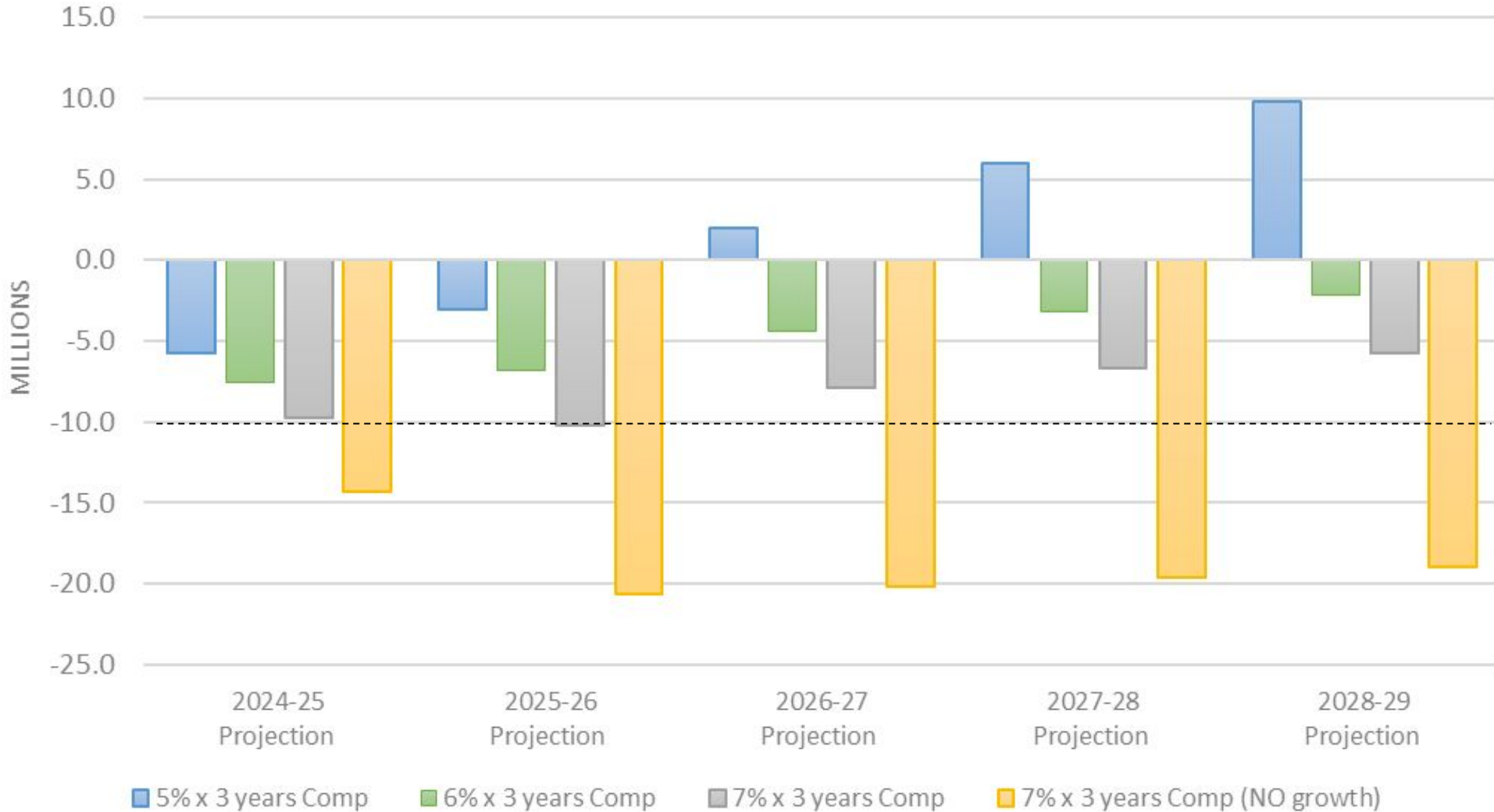


chart with 2 years of enrollment recalibration

Initial Planning Deficit: \$10m

2024-25 Initial Planning Range

Low End:
-\$2.3m

(5% x 3 yrs, no enrollment recalibration)

High End (yellow):
-\$14.3m

(7% x 3 yrs, no enrollment growth)