

CAL POLY

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2018-19 Budget Update

Budget Update

- Overview
 - Board of Trustees 2018-19 preliminary support budget
 - Governor's proposed 2018-19 budget for CSU
 - Proposed tuition increase
 - Proposed non-resident tuition increase
 - Systemwide Budget Reconciliation
 - Budget Planning Calendar
 - Potential impacts to 2018-19 budget

Board of Trustees – Support Budget

Board of Trustees 2018-19 preliminary support budget for the CSU system was requested November 2017

Permanent funding requests

Proposed Incremental Expenditures	
Graduation Initiative 2025	\$75.0 M
1% Full-Time Equivalent Student Growth	39.9 M
Employee Compensation	122.1M
Facilities & Infrastructure Needs	15.0 M
Mandatory Costs	30.9 M
Total Incremental Expenditures	\$282.9 M

Other Inflationary Cost Increases

\$17.4M

Board of Trustees – Support Budget

Board of Trustees 2018-19 preliminary support budget for the CSU system was requested November 2017

One time funding requests

One Time Funding Request	
Cap-and-Trade	\$25 M
Deferred Maintenance Backlog	50 M
Total One Time Funding	\$75 M

Governors - Proposed Budget

Governors 2018-19 Proposed Budget for the CSU system was issued January 2018

- Proposed incremental funding increase for the CSU system is \$92M
 - General Fund Governor's Funding Plan was estimated at \$102M in November
 - Increase will not cover 2018-19 compensation obligations and mandatory costs

Systemwide Budget Reconciliation

Reconciliation	
Total Board of Trustees Support Budget Request	\$282.9 M
Less: Governor's Proposed Incremental Funding Increase	(92.0 M)
Net Tuition from Enrollment Growth	<u>(19.9 M)</u>
Funding Delta	\$171.0 M
*Historically Cal Poly's share is 4-6% of the total	

Proposed Tuition Increase

- Proposed tuition increase would generate \$69.8 M systemwide

	Current Annual Rate	Proposed Annual Rate	Dollar Change	Percent Change
Undergraduate Programs				
6.1 or more units	\$5,742	\$5,970	\$228	3.97%
0 to 6.1 units	3,462	3,462	132	3.81%
Credential Programs				
6.1 or more units	6,660	6,924	264	3.96%
0 to 6.1 units	3,864	4,014	150	3.88%
Graduate and Other Post-Baccalaureate Programs				
6.1 or more units	7,176	7,608	432	6.02%
0 to 6.1 units	4,164	4,410	246	5.91%

Proposed Non-Resident Tuition Increase

- Non-resident tuition is in addition to applicable systemwide tuition

	Current Per Quarter Unit Rate	Potential Per Quarter Unit Rate	Dollar Change	Percent Change
Non-Resident Tuition	\$264	\$284	\$20	7.58%

- The table shows the current and proposed per quarter unit rates for non-resident students

Systemwide Budget Reconciliation (with Fee)

Reconciliation	
Total Board of Trustees Support Budget Request	\$282.9 M
Less: Governor's Proposed Incremental Funding Increase	(92.0 M)
Net Tuition from Enrollment Growth	<u>(19.9 M)</u>
Funding Delta	\$171.0 M
Less: Incremental Revenue from a 4% Fee Increase	<u>\$(69.8 M)</u>
Adjusted Funding Delta	<u>\$101.2 M</u>
*Historically Cal Poly's share is 4-6% of the total	

Systemwide Budget Reconciliation (no Fee)

Reconciliation	
Total Board of Trustees Support Budget Request	\$282.9 M
Less: Governor's Proposed Incremental Funding Increase	(92.0 M)
Net Tuition from Enrollment Growth	<u>(19.9 M)</u>
Funding Delta	\$171.0 M
Less: Graduation Initiative 2025	\$(75.0 M)
Net cost of 1% growth	(20.0 M)
Facilities & Infrastructure Needs	(15.0 M)
Adjusted Funding Delta	<u>\$61.0 M</u>

*Historically Cal Poly's share is 4-6% of the total

Budget Planning Calendar

Month	Description
January	<ul style="list-style-type: none">• Governor's budget released• Confirm enrollment targets• Prelim Cal Poly budget allocations based on Governor's budget• Finalize Indirect Cost Allocation model and communicate assessments to clients
February	<ul style="list-style-type: none">• Budget negotiations in Sacramento (Feb-Jun)• Legislative Analyst Office / Department of Finance analysis of CSU budget and CSU lobbying efforts (Feb-May)• VP's develop divisional budget priorities for FY 2018-19 and submit by Spring Quarter

Budget Planning Calendar

Month	Description
March	<ul style="list-style-type: none">• Receive budget memo from Chancellor's Office with initial campus allocations• Update Cal Poly planning amounts
April	<ul style="list-style-type: none">• Divisional VP presentations (President, Academic Affairs, Student Affairs, Development, Chief Information Office) to Cabinet with prioritized budget requests• Self-support operations and auxiliary budgets finalized and approved

Budget Planning Calendar

Month	Description
May	<ul style="list-style-type: none">• Governor's May revise released• Update Cal Poly amounts if necessary• Confirm enrollment targets based on SIR (student intent to register)• President and Cabinet meet to discuss and prioritize divisional requests
June	<ul style="list-style-type: none">• Final State budget approved and signed by Governor• Update and finalize Cal Poly budget and communicate allocations to division VP's

Potential impacts to 2018/19 budget

- Current known compensation commitments
 - CFA 2 year extension agreement (expires 6/30/2020)
 - 3.5% effective 11/1/2018
 - CSUEU 3 year contract (expires 6/30/2020)
 - Awaiting Board of Trustees ratification
 - 3% effective 7/1/2018
- Tuition increase may be considered by the Board of Trustees in May
- \$30.9M increase in mandatory costs (health, retirement etc.)

Questions?

Thank You