Campus Budget and Planning Forum

Spring 2022
Sonoma State University
March 10th, 2022
Message from the President

President Sakaki is unable to be with us today and sends her deep regrets. She sends her appreciation to the campus community for your active participation in this important process.
Karen Moranski
Provost
Vice President of Academic Affairs
Chair, President’s Budget Advisory Committee

Provost’s Message
Strategic Planning and Budgeting

• The budget and the strategic plan continue to be linked – we fund our commitments and see results
  • Progress in closing equity gaps
  • At the top of the CSU for transfer graduation rates
  • Prioritizing the health, safety and wellness for students, faculty and staff as we return to campus
  • Support for faculty and student research
  • Launching the CSUCCESS program

• Looking to our future and knowing who we are
  • Continued commitment to Academic Success
  • Focus on Strategic Enrollment strategies and initiatives
  • Working to recruit and retain our faculty and staff
  • Commitment to consultation and transparency
    • AA Budget Advisory Group
January Governor’s Budget Proposal
January Governor’s Budget Proposal: Base Funds

$715.5M – Support Budget Request

- $16.8M SB169 State Univ Grant Requirement
- $40.5M Mandatory Costs
- $129.9M Strategic Enrollment Growth
- $135M Academic Facilities & Infrastructure
- $223.3M Employee Compensation
- $75M Bridging Equity Divide Through Technology
  - $20M Basic Needs Initiative
  - $75M Graduation Initiative 2025

$344.1M - January Governor’s Budget

- $211.1M Unallocated 5% GF Base Increase
- $121M Strategic Enrollment Growth
- $12M Foster Youth Supports
- $40.5M Mandatory Costs
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SSU could receive $5M

SSU could receive $162k
January Governor’s Budget Proposal: One-Time Funds

- $100M for deferred maintenance and academic infrastructure
- $83M for energy innovation center at CSU Bakersfield
- $50M for improvements at CSU University Farms
Spring CSU Budget Timeline

January
• Governor Releases Budget Plan

April
• Chancellor’s Office Releases Initial Budget Memo

May
• Governor Releases May Revise

June
• Governor Approves Budget

July
• Chancellor's Office Releases Final Budget Memo
2022-2023 Multi-Year Budget with Reduction Plan
Multi-Year Plan Budgeted Enrollment (AY)

- Prior Year 2019-2020: 8960
- Prior Year 2020-2021: 7188
- Current Year 2021-2022: 6927
- 2022-2023: 6,580
- 2023-2024: 6,239
- 2024-2025: 6,603
- 2025-2026: 7,035

Percentage Changes:
- 2022-2023: -5%
- 2023-2024: -5%
- 2024-2025: +6%
- 2025-2026: +7%
Multi-Year Budget Plan with Deficit

![Graph showing multi-year budget plan with deficit](image-url)

- **GRAND TOTAL BASE FUNDING SOURCES**
- **GRAND TOTAL BASE EXPENDITURES**
- **NET BASE BUDGET DEFICIT**

### Key Points:
- **2019-2020:** Initial budget year.
- **2020-2021:** Budget current year with a deficit of **$20.8K**.
- **2021-2022 Final Budget:**
  - Planning Year, -5% Growth: **($11.6M)**
  - Current Year: **($11.2M)**
- **2022-2023 Planning Year:**
  - -5% Growth: **($15.5M)**
  - Current Year: **($16.1M)**
- **2023-2024, -5% Growth:**
  - Current Year: **($14.6M)**
- **2024-2025, +6% Growth:**
  - Current Year: **($12.1M)**
- **2025-2026, +7% Growth:**
  - Current Year: **($12.1M)**

### Deficit Overview:
- **2019-2020:** -$18 M
- **2020-2021:** -$16 M
- **2021-2022:** -$14 M
- **2022-2023:** -$12 M
- **2023-2024:** -$10 M
- **2024-2025:** -$8 M
- **2025-2026:** -$6 M
- **2026-2027:** -$4 M
- **2027-2028:** -$2 M
- **2028-2029:** $0 M
2022-2023 Reduction Plan

• Current projected deficit for 2022-2023 is $15.5M or 10.93% of this year’s budget.

• Manage 50% of the reduction with base cuts to the Divisions allocated by share of marginal cost function.
  • Changes to funding (increases and decreases) based on headcount / FTES are allocated based on share of marginal cost function.
  • Reductions allocated on this methodology now related to enrollment decline shall be reallocated on the same methodology for funds related to enrollment growth.
## 2022-2023 Reduction Plan

### Reduction by Division Based on Share of Marginal Cost Category

<table>
<thead>
<tr>
<th>Division</th>
<th>Percentage</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic Affairs</td>
<td>71.01%</td>
<td>$5,520,046</td>
</tr>
<tr>
<td>Administration and Finance</td>
<td>19.31%</td>
<td>$1,501,247</td>
</tr>
<tr>
<td>Office of the President</td>
<td>2.43%</td>
<td>$188,631</td>
</tr>
<tr>
<td>Student Affairs</td>
<td>5.07%</td>
<td>$394,297</td>
</tr>
<tr>
<td>University Advancement</td>
<td>1.24%</td>
<td>$96,776</td>
</tr>
<tr>
<td>Green Music Center</td>
<td>0.93%</td>
<td>$72,639</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>$7,773,636</strong></td>
</tr>
</tbody>
</table>
2022-2023 Reduction Plan

• Manage 50% of the reduction utilizing one-time funds using approaches to be finalized, e.g., use of University reserves, sweep hiring savings to center, utilize rollforward funds, etc.

• Continue this approach (50% base reductions/50% one-time strategies) until the deficit is resolved.
Multi-Year Budget with Reduction Plan

Cumulative Base Cuts
- Cumulative 1x: (11,948,204)
- Cumulative 1x: (13,284,388)

50% of base deficit is reduced in base each year except 2025-2026.

GRAND TOTAL BASE FUNDING SOURCES
GRAND TOTAL BASE EXPENDITURES
NET BASE BUDGET DEFICIT
Annual Budget Timeline

December
- Cabinet Sets Planning Year Budget Assumptions and Priorities

January
- Budget Call Goes Out to Campus Units

March
- Division budget plans due to University Budget and Planning Office

April
- Budget Office provides projections and draft planning year budgets to PBAC and Cabinet for review

May
- Cabinet approves final planning year budget

June
- Campus budget is finalized
Resources

2021-2022 Campus Budget available on OpenBook

Fall 2021 & Spring 2022 Forum Recordings

Both accessed through the Budget Office website: budget.sonoma.edu

Questions? Please send to budget@sonoma.edu
CFO’s Message

M. Monir Ahmed
Vice President for Administration and Finance/CFO
Vice-Chair, President’s Budget Advisory Committee
CFO’s Message

• State has money, a lot of it.
• CSU is receiving some of it.
• SSU is not getting enough.
State Plan 2021-22

GENERAL FUND EXPENDITURES = $196.4B

- Education, $86.6B, 44%
- Health and Human Services, $57.4B, 29%
- Other, $45.1B, 23%
- Natural Resources, $7.3B, 4%
State Plan 2021-22 vs 2022-23 Proposal

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Total: $196.4B

2022-23 GENERAL FUND PROPOSAL

- Education, $92.2B, 43%
- Health and Human Services, $64.7B, 31%
- Other, $47.5B, 22%
- Natural Resources, $8.8B, 4%

Total: $213.1B
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What Is the Anticipated Surplus?

• Despite the ongoing global pandemic and its disparate health and economic impacts on Californians, revenues are growing at historic rates and we estimate the state will have a $31 billion surplus (resources in excess of current law commitments) to allocate in 2022-23. - [LAO]

• On January 10, 2022, California Governor Gavin Newsom outlined a $286.4 billion budget for Fiscal Year 2022-23, including $213.1 billion in the General Fund and a one-time discretionary surplus of $45.7 billion, representing an increase over the budget he introduced this time last year.
CFO’s Message

What Are We Doing?

• CSU is advocating for increased base fund (operating fund)

• Campuses are advocating for 1X Funds

• SSU Priorities are:
  • Infrastructure ~ $61M
  • Sustainability ~ $55M
  • Deferred Maintenance ~ $110M
Thank you!

Please join us for the roundtable discussions.
Roundtable Questions

30 minutes to answer the following questions:

1. What did you hear today that you liked?

2. What did you hear today that you would like to learn more about?

3. How do you see your unit contributing to the success of campus priorities and the strategic plan?

4. What are your thoughts on the reduction planning for the 2022-2023 year? How have those conversations been approached in your Division and unit? What, in your opinion, is working and what could be improved?