

A glowing lightbulb is the central focus, with its filament illuminated. The background is a soft, light blue gradient. Overlaid on the lightbulb is a white circuit board pattern with various nodes and lines. A dark, rounded rectangular box is positioned in the center, containing the text.

UNIVERSITY PLANNING & BUDGET GROUP

SEPTEMBER 2023



AGENDA

Introduction

Review of multi-year revenue and expense projections

Group discussion and feedback exercise

Brief updates/comments

Next steps/closing comments



2023/24 CAMPUS OPERATING BUDGET

\$18.6M in new recurring compensation costs - 5% compensation increase (hypothetical scenario)

\$8.2M - CSUN's estimated share of \$132M CSU funding for “systemwide provisions” (equivalent to 2.2% compensation increase)

\$10.4M net unfunded compensation commitment for CSUN under this scenario

Coupled with other unfunded expenses, estimated **\$12.8M structural deficit under this scenario**

2023/24 CAMPUS OPERATING BUDGET

SOURCES OF FUNDS	
State appropriation	\$292,781,000
Enrollment growth	\$2,269,000
ESTIMATE of CO funding for compensation increases	\$8,241,000
<i>Total state appropriation</i>	<i>\$303,291,000</i>
Tuition fee revenue	\$209,626,872
Non-resident fee revenue	\$13,102,248
Other fees	\$22,818,265
<i>Total tuition and fees</i>	<i>\$245,498,488</i>
<i>Total Sources of Funds</i>	<i>\$548,838,385</i>
USES OF FUNDS	
Divisions expenditure budget	\$274,276,061
Central university expenditure budget	\$268,728,062
Faculty and staff compensation – assumes 5% increase	\$18,640,733
<i>Total Uses of Funds</i>	<i>\$561,644,856</i>
Projected deficit (recurring)	(\$12,806,471)

OVERVIEW OF THE 2024/25 CSU BUDGET PROPOSAL

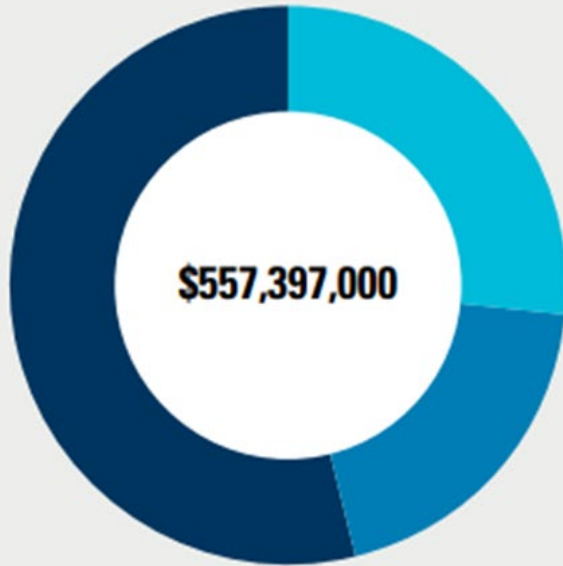
- 6% tuition increase for 5 years: approved at September BOT meeting
- 2024/25 CSU budget proposal calls for **\$557M** incremental increase
 - \$240M State General Fund (Governor's Compact)
 - \$145M State General Fund (**Above Compact Request**)
 - \$148M Tuition from Rate Increase
 - \$24M Tuition from Strategic Resident Enrollment Growth

CSU 2024/25 BUDGET PROPOSAL

TABLE 3: SOURCES & USES OF FUNDS

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

USES OF FUNDS



● Student Access & Success
\$150M

● Institutional Support
\$108M

● Workforce Investments
\$299M

USES OF FUNDS (Incremental New Expenditures)	TUITION & WITHIN COMPACT	ABOVE COMPACT	BUDGET PLAN
Student Access & Success			
Financial Aid			
State University Grant — Tuition Rate Increase	\$49,443,000		\$49,443,000
State University Grant — Enrollment Increase	8,093,000		8,093,000
Student Access and Enrollment	54,957,000		54,957,000
Graduation Initiative		30,000,000	30,000,000
Student Basic Needs and Mental Health	3,000,000	4,000,000	7,000,000
Institutional Support			
Title IX and DHR Programs	7,900,000	8,000,000	15,900,000
State and Federal NAGPRA Compliance	2,250,000	2,000,000	4,250,000
Maintenance of New Facilities	12,548,000		12,548,000
Liability and Property Insurance Premium Increases	22,635,000		22,635,000
Inflation on Non-Personnel Costs		28,506,000	28,506,000
Debt Service on Academic Facilities & Infrastructure	10,000,000	15,000,000	25,000,000
CSU Workforce Investments			
Faculty and Staff Compensation Pool	163,664,000	57,040,000	220,704,000
Health Premium Increases	78,361,000		78,361,000
TOTAL NEW USES	\$412,851,000	\$144,546,000	\$557,397,000

OVERALL CSUN BUDGET PROJECTION: 2024/25 - 2028/29

- Annual deficits projected to vary between \$15.7M and \$16.1M
- Cumulative projected deficit over 5-year period: **\$80M**

CSUN ANNUAL BUDGET PROJECTIONS: 2024/25 - 2028/29

	2024/25	2025/26	2026/27	2027/28	2028/29
Projected new revenues	\$28,520,397	\$25,550,983	\$26,942,649	\$28,536,095	\$30,232,208
Projected new expenses	(31,395,104)	(25,742,216)	(27,134,127)	(28,603,011)	(30,153,236)
Subtotal	(2,874,708)	(191,234)	(191,478)	(66,916)	79,972
Prior year recurring deficit	(12,806,471)	(15,681,179)	(15,872,412)	(16,063,891)	(16,130,807)
Projected annual recurring deficit	(15,681,179)	(15,872,412)	(16,063,891)	(16,130,807)	(16,051,834)
Cumulative deficit	\$(15,681,179)	\$(31,553,591)	\$(47,617,482)	\$(63,748,289)	\$(79,800,123)

CSUN MULTI-YEAR PLANNING DISCUSSION

- Annual budget balancing requires a combination of repurposed permanent recurring funds and one-time reserves
- \$91M in general fund operating reserves as of 6/30/23; majority held within divisions -- a substantial amount is committed for specific purposes
- Goal: eliminate +/- \$16M structural deficit as quickly as possible to free-up funds for campus priorities

RESERVES FROM 2022/23: GENERAL FUNDS*

	GENERAL FUND		GI2025	CAMPUS QUALITY FEE		TOTAL		
Academic Affairs	\$	44,456,256	\$	4,733,274	\$	849,995	\$	50,039,524
University Wide	\$	32,698,605	\$	8,804,761	\$	319,169	\$	41,822,535
Student Affairs	\$	5,815,393	\$	272,317	\$	212,488	\$	6,300,198
Administration & Finance	\$	5,437,686			\$	18,450	\$	5,456,136
Information Technology	\$	2,120,296			\$	202,796	\$	2,323,092
President's Units	\$	411,138			\$	-	\$	411,138
Univ. Rel. & Advancement	\$	196,823			\$	1,813	\$	198,635
Totals	\$	91,136,196	\$	13,810,351	\$	1,604,711	\$	106,551,258

*excludes \$9.8M reserve for encumbrances



DISCUSSION

MEASURES AND STRATEGIES TO ADDRESS MULTI-YEAR BUDGET CHALLENGES

