

### **Operating Budget Update and Consideration of Expenditure and Revenue Options for 2018-19 Committee on Finance – Agenda Item 5** March 19-21, 2018



## **Outline for Today's Presentation**

- Review of 2017-18 Graduation Initiative investments
- Summary of 2018-19 budget principles
- Recap of CSU budget and Governor's budget proposals
- Update on hearings in Assembly/Senate
- Options for narrowing the gap between budget and funding

### **2017-18 Graduation Initiative Funding**

### **\$88** million in new investments

(\$75m from tuition increase; \$13m from campus re-prioritization)

- Nearly 400 new tenure track faculty hires (\$46 million)
- 3,200 new course sections
- 228 new academic advisors (\$18 million)
- Student and academic support programs (\$24 million)





## **CSU's 2018-19 Budget Principles**

- Ensure CSU's value to California's future
- Maintain progress on Graduation Initiative
- Provide fair compensation to faculty and staff
- Keep tuition affordable
- Maintain academic excellence



## **State Budget Update**

- Governor's Budget \$92 million increase
- \$171 million gap in CSU budget plan
- Initial, informational hearings in Assembly/Senate
- Decisions expected in May and June

## **Revenue Options**

Short-Term for 2018-19

- Partner with the State to provide additional recurring support
- Approve a tuition increase to cover portion of gap
- Hybrid of State appropriation and tuition

Long-Term for 2019-20 and beyond

- Multi-year budget plan
- Expand public private partnerships
- Expand philanthropic donations to the CSU

# **Expenditure Options**

Short-Term for 2018-19

- Defer hiring of faculty and support staff
- Adjust institutional financial aid
- Forego new operating budget investment in Graduation Initiative, enrollment and infrastructure

### Long-Term for 2019-20 and beyond

- Adjustments to retirement and post-employment health programs
- Enrollment management: freeze or reduce
- Program realignments and eliminations

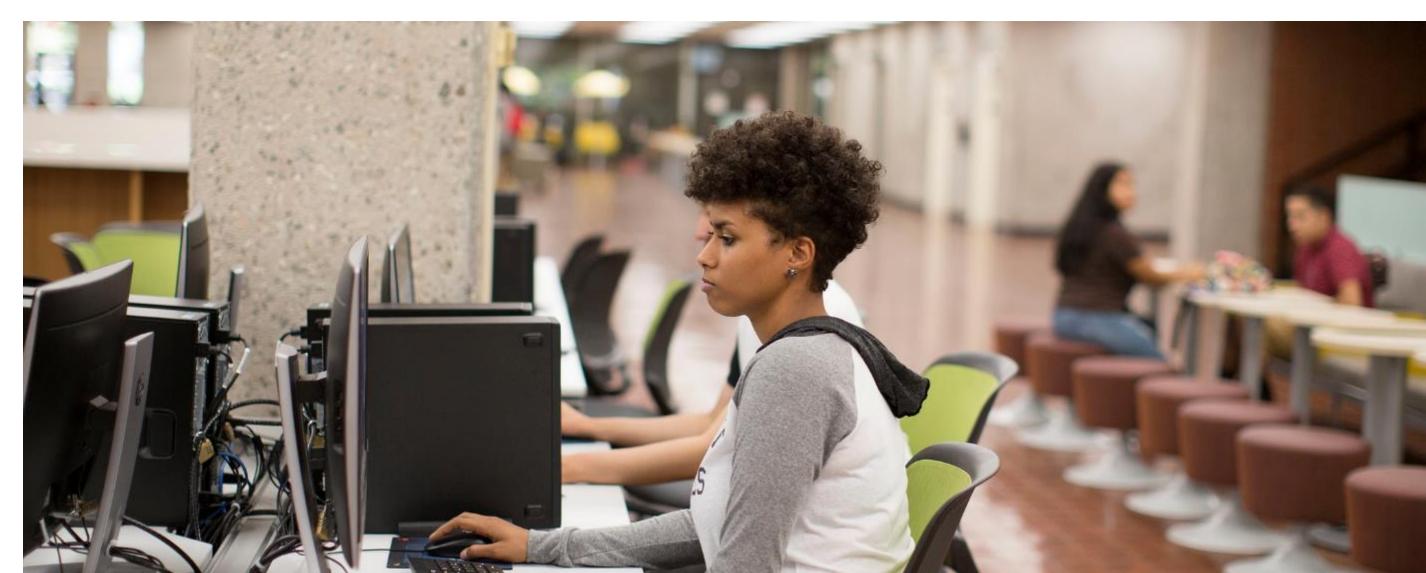


## **2018-19 Options**

### 1. Forego new investments

- Year 2 of Graduation Initiative
- Enrollment growth
- Infrastructure and deferred maintenance
- 2. Reduce expenses
  - New hiring, replacement hiring
  - Financial aid
- 3. Increase revenue
  - State funding
  - Tuition
  - Hybrid





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