

President's Budget Advisory Committee

Meeting Agenda

September 27, 2018

2:00p.m. @ MH-3318

I. Call to order

- Call for amendments to agenda

II. Information Item

- Introductions
- 2018/19 PBAC Meeting Schedule (Attachment 1)
- 2018/19 B 2018-02 (Attachment 2)
- 2019/20 BOT Preliminary Budget (Attachment 3)

III. Reports

- 2018/19 Revenues (Attachment 4)
- 2018/19 Base Reserves (Attachment 5)
- 2018/19 One-Time Reserves (Attachment 6)
- 2018/19 Multi-Year Budget (Attachment 7)

IV. Watch List

- Master Plan Costs
- Graduation Initiative 2025
- IT Governance
- Infrastructure (electrical/steam)
- Mission Valley

V. 2018/19 Funding Requests – ACTION

- 2018/19 Base and One-Time Funding Requests – AA (Attachment 8)

VI. New Business

VII. Reminder

- **Next Meeting Date – October 11, 2018 at 2:00 p.m. in MH 3318**

**PBAC
2018-2019 Schedule**

Scheduled	Scheduled	Scheduled	Scheduled	Scheduled
Call for PBAC Agenda Items	BRAT Thursdays @ 2:00 AD 225	Meeting Materials to AR&P - PBAC	AR&P Tuesdays @ 2:00 AD 225	PBAC Thursdays @ 2:00 MH 3318
September 10	September 20	September 21	September 25	September 27
September 24	October 4	October 5	October 9	October 11
October 8	October 18	October 19	October 23	October 25
October 29	November 8	November 9	November 13	November 15
November 12	November 20	November 23	November 27	November 29
November 26	December 6	December 7	December 11	December 13
January 14	January 24	January 25	January 29	January 31
January 28	February 7	February 8	February 12	February 14
February 25	March 7	March 8	March 12	March 14
March 11	March 21	March 22	March 26	March 28
April 1	April 11	April 12	April 16	April 18
April 15	April 25	April 26	April 30	May 2
April 29	May 9	May 10	May 14	May 16
May 6	May 16 (hold)	May 17	May 21 (hold)	May 23 (hold)

Aug 22 - First day of Fall semester
Aug 27 - First day of Fall classes
Sep 24- Fall Census

Jan 22 - First day of Spring semester
Jan 23 - First day of Spring classes

Feb 19 - Spring census

April 1 - 5 - Spring Break

Division Presentations (BFA, SA, PO)

Division Presentations (AA, URD)

May 9 - Last day of Spring classes
2019/20 Allocation Vote

May 17-19 - Commencement Days

	B 2018-19 Estimate	B 2018-19 FINAL	Change
2017/18 Support Budget			
Slate General Fund Allocation	190,147,596		
Basic (SUF) Tuition Fee (net of SUG tuition discounts)	133,979,426		
Other Fee Revenue	67,027,308		
Other Revenue and Cost Recovery	24,673,181		
2017/18 Support Budget	415,827,511		
2017/18 Unallocated Base Reserve	1,341,048	1,341,048	
2018/19 Adjustments:			
2017/18 GF Base Adjustments			
Mandatory Retirement Adjustment	CO	ATTACH B (1)	2,897,000
Mandatory Retirement Adjustment - benefit pool	CO	ATTACH B (1)	(2,897,000)
Mandatory Retirement Adjustment - benefit pool	CO	ATTACH B (2)	3,456,000
2017/18 Compensation Allocations (1x in 2017/18, base in 2018/19)			3,456,000
2018/19 Mandatory Costs			
CO new space (\$3.6M systemwide) - SDSU EIS - facilities services/utilities	SDSU estimate	ATTACH C (2)	(1,376,000)
CO Health (\$12M systemwide) - benefit pool	SDSU estimate	ATTACH C (1)	(843,000)
CO Retirement (\$11.2M systemwide) - benefit pool	SDSU estimate		(696,000)
			(2,915,000)
2018/19 Expenditure Adjustments			
2018/19 Compensation Pool (SDSU estimate 3%)	SDSU estimate	SDSU estimate	(8,634,000)
			(8,634,000)
2018/19 Estimated Revenue Adjustments			
SDSU basic/non-resident tuition adjustment (net of fin aid) - 2/28/2018 enrollment projections	SDSU estimate		4,503,000
SDSU non-resident tuition adjustment (additional to base)	SDSU estimate		2,250,000
			6,753,000
2018/19 SUG (tuition discount) Adjustments			
2018/19 SUG redistribution		ATTACH C (5)	(2,182,800)
2018/19 SUG redistribution - SUG pool		ATTACH C (5)	2,182,800
			0
2018/19 GF Base Adjustments			
New 2018/19 General Fund Allocations (\$92M systemwide)	SDSU estimate		5,740,000
2018/19 Health			843,000
2018/19 New Space			1,376,000
2018/19 Compensation			7,361,000
2018/19 Graduation Initiative 2025			2,891,000
			12,471,000
			0
2018/19 Base Reserve	5,741,048	12,472,048	6,731,000
PBAC 5/10/2018 PENDING Allocation			
PBAC 5/10/2018 Allocation (inclusive of President's additions)	(5,393,596)	(5,393,596)	5,393,596
			(5,393,596)
2018/19 Final Base Reserve	347,452	6,878,452	6,531,000
2018/19 Target Unallocated Base Reserve	(4,000,000)	(4,000,000)	0
2018/19 Base Funding Surplus/(Deficit) from Target Reserve	(3,652,548)	2,876,452	6,531,000
2018/19 Support Budget			
Slate General Fund Allocation	200,057,796	SDSU	206,786,796
Basic (SUF) Tuition Fee (net of tuition discounts)	138,598,008	SDSU	138,598,008
Other Fee Revenue	72,781,866	SDSU	72,781,866
Other Revenue and Cost Recovery	28,179,503	SDSU	28,179,503
2018/19 Support Budget	439,617,173		446,348,173

Information Item
Agenda Item 2
September 11-12, 2018
Page 1 of 7

COMMITTEE ON FINANCE

Planning for the 2019-2020 Operating Budget

Presentation By

Steve Relyea
Executive Vice Chancellor and
Chief Financial Officer

Ryan Storm
Assistant Vice Chancellor
Budget

Summary

The California State Constitution requires the submittal of the governor's budget proposal each year by January 10. In order to meet consequent deadlines of the Department of Finance, it is necessary to commence planning for the 2019-2020 California State University Operating Budget. The CSU Board of Trustees will be provided preliminary assumptions for purposes of preparing the 2019-2020 budget request to the governor. The final budget request will be presented to the Board of Trustees for review and approval in November 2018.

State Budget Overview

Significant tax revenues produced by Propositions 30 and 55 and the economic recovery have allowed the state to continue to invest in public higher education. Specifically, it is estimated that state tax revenues will have increased by \$44.8 billion (or 51 percent) between the recession low point in 2011-2012 and the current fiscal year 2018-2019. In addition, the economic recovery allowed the state to set aside \$15.9 billion in operating reserves and retire \$1.7 billion of operating debt in 2018-2019. The CSU has benefited from the state's recovery with permanent general fund increases of just over \$1 billion over the last six years.

While the state made significant budgetary strides since the Great Recession, significant expenditure obligations and risks persist. The state is challenged by long-term debts, deferrals, and budgetary obligations in excess of \$290 billion, according to estimates by the Department of Finance. The preponderance of these obligations are health and pension costs for state employees and teachers. Other obligations and risks are outstanding loans, K-14 funding obligations, and state property deferred maintenance. While the state's economy is growing, capital gains taxes make up a significant portion of the state budget revenue picture. This revenue source is highly volatile and can cause dramatic swings in state revenue from one year to the next. As examples over the past decade, tax revenues from capital gains were \$3 billion in 2009-2010 (lowest) and an estimated \$13.3 billion for 2018-2019 (highest).

Finance
 Agenda Item 2
 September 11-12, 2018
 Page 2 of 7

The message on the near-term economy is continued growth. If the state's economic expansion continues, revenues could grow by 3.1 percent in 2019-2020, 3.9 percent in 2020-2021 and 4.6 percent in 2021-2022, according to projections by the Legislative Analyst's Office earlier this year. Separately, the Department of Finance earlier this year estimated more modest revenue growth of 3.7 percent in 2019-2020, 2.4 percent in 2020-2021, and 2.6 percent in 2021-2022. Under these assumptions, the potential over the next three fiscal years ranges from a modest investment in higher education to the potential for additional growth. However, it is widely recognized by economists that the average length of an economic expansion is five years with the longest expansion being ten years. The current period has seen expansion over nine years. While economic forecasts do not project a recession between now and 2021-2022, a sudden and unexpected downturn sometime in the next one to three years would have a negative impact on the state general fund and the state's ability to continue to invest in CSU students.

Recent Funding of the CSU

In January 2013, Governor Brown's budget proposal included a four-year plan to provide funding stability to CSU and the University of California (UC). This multi-year plan called for state funding increases totaling \$511 million to each university system and required no tuition increases between 2013-2014 and 2016-2017. Recognizing that both CSU and UC endured state funding reductions in equal dollar amounts during the Great Recession and that an ongoing investment in higher education is important to the vitality of the state's economy, Governor Brown's administration added additional years and new permanent funding commitments. On several occasions over the past six years, the state legislature and governor agreed to provide more funding in the final budget act than originally proposed. Only once since 2011-2012 did the CSU determine it necessary to raise tuition rates. The governor's commitments, the CSU's requests, the tuition increase (as applicable), and final budget allocations for the last six years are as follows.

Fiscal Year	Governor's Budget	CSU Request	Final State Budget	Tuition Increase	Unfunded
2013-2014	\$125.1	\$371.9	\$125.1		\$246.8
2014-2015	142.2	237.6	142.2		95.4
2015-2016	119.5	216.6	216.5		0.1
2016-2017	139.4	241.7	154.0		87.7
2017-2018	157.2	324.9	177.2	\$79.1	68.6
2018-2019	92.1	263.0	197.2		65.8
2019-2020		----To Be Determined----			
Total	\$775.5	\$1,655.7	\$1,012.2	\$79.1	\$564.4

(in millions, excludes all one-time funding)

Finance
Agenda Item 2
September 11-12, 2018
Page 3 of 7

Future Funding of the CSU

Governor Brown will end his fourth term in office and transfer his executive powers to a new governor in early January 2019. It will open a new chapter where the state legislature and the newly-elected governor will likely take a fresh look at funding priorities for, and commitments to, the CSU.

While it was not a perfect recipe for longer-term financial sustainability, Governor Brown's multi-year budget plan for CSU was valuable. It generally established a funding floor, upon which the system and the 23 campuses could thoughtfully address many financial needs of the university that were curtailed or neglected during the Great Recession including the Graduation Initiative, employee compensation, and student enrollment. Because of that commitment, the CSU was able to regularly invest in critical areas over a multi-year period.

As the CSU enters the 2020's, it is important for the university to place a greater emphasis on longer-term financial sustainability. As experienced through the latter half of the 2010's, consistent financial support of the university has been a critical building block toward greater student successes.

Over the coming months, the CSU is committed to develop a multi-year budget model to help inform the trustees, CSU stakeholders, the state legislature, and the new governor of what it will financially take to equip the university for even greater successes. A potential product stemming from this modeling could be a multi-year funding agreement or compact between the CSU, the new governor, and the legislature. Another outcome could be a ballot initiative that would authorize general obligation bonds to help address CSU infrastructure needs.

The 2019-2020 CSU Operating Budget Will Require a Significant, New Investment from the State

The preliminary 2019-2020 budget plan would allow the CSU to provide another round of investment in Graduation Initiative 2025, meet its mandatory cost obligations, fulfill compensation commitments already made to the preponderance of CSU employee groups, and grow full-time equivalent student (FTES) enrollment. Additionally, progress could be made on infrastructure and deferred maintenance needs.

But unlike the past several years, the state legislature's and next governor's funding commitment is not known at this time.

The state is in an excellent fiscal condition with revenue expected to continue to grow and the state is already equipped with a large rainy day fund. This condition should make the decision easier for state leaders to invest in California's future through the CSU. However, as demonstrated in the

Finance
Agenda Item 2
September 11-12, 2018
Page 4 of 7

table above, the state has seldom fully funded the gap between the governor's proposal and the trustees' request. If a gap were to occur in 2019-2020, the CSU would have to more aggressively advocate for additional state funding and consider several budget-balancing options, including:

- limit investment in new budget priorities;
- redirect campus resources to other priorities;
- new revenue sources; and
- a tuition increase.

The Chancellor's Office will engage in a consultation process with students, faculty, staff, campus executives, the state, and other CSU stakeholders to garner additional state support and to explore alternatives for balancing budget priorities and necessary resources.

2019-2020 CSU Operating Budget—Preliminary Planning Approach

It is very early in the budget development process and it is premature to discuss any budget gap-closing strategies at this time. Instead, the Board of Trustees can begin the discussion of CSU priorities to build an operating budget request for 2019-2020. The planning approach presented below represents a range of funding levels that can be balanced to communicate the university's key funding needs. At this stage, it is important for the trustees to provide input on fiscal policy priorities for 2019-2020.

These estimated incremental funding amounts or ranges provide an opportunity for discussion about priorities and would add to the 2018-2019 base budget of \$6.7 billion.

Preliminary Expenditure Plan - \$446 Million to \$528 Million

Graduation Initiative 2025 - \$75 million

The CSU will continue to invest in people, programs, technologies, and strategies that have demonstrated success in improving graduation rates, shortening time-to-degree, and eliminating achievement gaps. Each campus has developed multi-year plans to reach their Graduation Initiative 2025 goals that will require multi-year investments across the system in: tenure track faculty hiring, increased course taking opportunities, enhanced advising and education plans, academic and student support, and leveraging data for campus decision-making. Over the course of this third year of the Graduation Initiative 2025, campuses plan to spend at least \$75 million on their local priorities to improve student success and completion with particular focus on those efforts that improve four-year graduation rates for first time freshmen and two-year graduation rates for transfer students. To properly support the Graduation Initiative, an incremental recurring investment of \$75 million in 2019-2020 is necessary. This would fund the third year of a six-year, \$450 million investment plan in support of the Graduation Initiative.

Finance
Agenda Item 2
September 11-12, 2018
Page 5 of 7

Full-Time Equivalent Student Enrollment Growth - \$123 million to \$205 million

The Public Policy Institute of California (PPIC) concludes that the state will fall about 1.1 million college graduates short of economic demand by 2030 if current trends persist. The PPIC suggests that in order to close the degree gap, there is a need for 480,000 CSU graduates beyond the current trend. Demand for the CSU continues to climb, as more students graduate from high school having met the A-G requirements for admission to the CSU, and more transfer students complete the Associate Degree for Transfer. Earlier this year, the CSU adopted an application redirection policy to give CSU eligible first-time freshman, upper-division transfer and Associate Degree for Transfer students the option to have their applications reviewed by other campuses, without campus-wide or program impaction, if the first-choice campus(es) has student demand that exceeds available space at the campus or campuses they applied. Redirection will be helpful to a limited number of prospective students, but substantial increases to funded enrollment growth would be necessary to help narrow the PPIC's reported degree gap.

The range of \$123 million to \$205 million represents a three to five percent increase in full-time equivalent students (FTES). This increase would allow for growth in the average unit load for continuing students in support of graduation rate goals, and fund access for more new students. That range of growth also would be a substantial step in helping narrow the state's degree gap. Additional tuition revenue from new students and state general fund cover the costs of accommodating additional enrollment. For planning purposes, each one percent increase in enrollment would cost approximately \$41 million and would allow for growth of approximately 3,600 FTES.

Facilities and Infrastructure Needs - \$50 million

There are examples of academic and plant facilities on every CSU campus that are in need of repair or replacement. Based on a recent analysis, the systemwide academic facilities deferred maintenance backlog has been significantly revised upward to approximately \$3.7 billion. Previous support from the state in one-time and recurring funds has enabled a reduction in the backlog by approximately \$600 million. Unlike 2014-2015 and 2015-2016, the CSU was unable to dedicate new support from the state for annual debt service on longer-term bond-financed projects in 2016-2017, 2017-2018, or 2018-2019 due to the funding of other budget priorities and insufficient revenue levels.

Agenda Item 4 of the September 11-12, 2018 meeting of the Committee on Campus Planning, Buildings and Grounds includes the preliminary list for the 2019-2020 Capital Outlay program. The list prioritizes critical infrastructure and utility renewal projects and facility renovation to support the academic program needs. The addition of \$50 million in recurring funds would finance approximately \$750 million of needed infrastructure projects that increase capacity for student growth and complement the plan to address deficiencies in existing facilities. The CSU continues to refine the planning and financing process in light of the increased capital financing authority granted in 2014.

Finance
Agenda Item 2
September 11-12, 2018
Page 6 of 7

Additionally, the CSU could request \$150 million in one-time funds to further address the deferred maintenance backlog. In the past two fiscal years, the state has deemed billions of dollars of state revenue as temporary. Specifically, the CSU received \$35 million in one-time funds for deferred maintenance in 2018-2019. If state revenue growth patterns and assumptions continue into 2019-2020, it is possible that the state could again supply the CSU with tens of millions of one-time dollars for this purpose.

Employee Salaries – \$160 million

Many bargaining units are under multi-year contracts that extend through 2019-2020 and a preponderance of CSU employees are represented by those units. Early estimates indicated that salary increases for all employee groups will cost, at the low end, approximately \$145 million. However, that cost is likely to rise because the CSU has hired many new faculty and staff to support the Graduation Initiative and to offer more courses and services to new students because of funded enrollment growth over the last few years. As CSU employee ranks increase, so too does the cost to provide salary increases to veteran and newer employees. Chancellor's Office staff will have more precise figures from campuses and complete its analysis by the November meeting, but for conservative planning purposes, an estimate of \$160 million is reasonable.

Mandatory Costs - \$38 million

Chancellor's Office staff anticipate that mandatory cost increases for existing university commitments will be approximately \$38 million in 2019-2020. These cost increases factor in state of California estimates, such as retirement and health care rate changes. Mandatory costs also include increases to operations and maintenance of newly-constructed facilities and other compensation-related costs, such as state wage law changes. If operating budget requests do not include these types of mandatory cost increases, campuses must redirect resources from existing programs, services and priorities to meet those cost increases. Fewer course sections would be available to students, average unit load would go down and less academic and student support services would be available. Setting aside funding for mandatory costs helps preserve the integrity of CSU programs.

Preliminary Revenue Plan

At this preliminary stage, the planning effort focuses on stating the CSU's budget priorities and needs. Accounting for enrollment growth revenue (approximately \$20 million per one percent increase in enrollment targets), the preliminary plan's range of new investments would require additional new ongoing revenues from state of \$386 million to \$428 million.

Finance
Agenda Item 2
September 11-12, 2018
Page 7 of 7

Conclusion

This is an information item presenting a preliminary framework for the 2019-2020 CSU Operating Budget request to the governor and the Department of Finance. Using feedback provided by the Board of Trustees at the September 2018 meeting, Chancellor's Office staff will present an updated and detailed operating budget recommendation for the trustees' approval in November 2018.

SAN DIEGO STATE UNIVERSITY
2018/19 Revenue Estimates
As of September 27, 2018

	2017/18 Budget	2017/18 Actual	Over/(Under) Budget	% Budget	2018/19 Budget	2018/19 Year to Date 9/20/2018	2018/19 Term End Estimate	Over/(Under) Budget	% Budget
Basic Tuition Fee - Resident									
Summer	7,571,000	9,031,985	1,460,985	19.30%	9,527,000	9,796,215	269,215	2.83%	
Fall	78,130,000	79,657,717	1,527,717	1.96%	78,201,000	72,425,037	159,329	0.20%	
Spring	71,823,000	73,281,017	1,458,017	2.03%	72,332,000	72,332,000	0	0.00%	
Sub-Total Basic Tuition - Resident	157,524,000	161,970,718	4,446,718	2.82%	160,060,000	82,221,251	428,544	0.27%	
Tuition Fee Discounts ⁽¹⁾	(43,657,800)	(43,657,800)	0	0.00%	(41,975,000)	(41,975,000)	0	0.00%	
Net Basic Tuition - Resident	113,866,200	118,312,918	4,446,718	3.91%	118,085,000	40,246,251	428,544	0.36%	
Basic Tuition Fee - Non-Resident									
Summer	1,009,000	1,885,429	876,429	86.86%	1,265,000	1,979,879	714,879	56.51%	
Fall	8,776,000	13,135,568	4,359,568	49.68%	8,779,000	12,689,833	4,534,722	51.65%	
Spring	7,915,000	11,901,919	3,986,919	50.37%	7,924,000	7,924,000	0	0.00%	
Sub-Total Basic Tuition - Non-Resident	17,700,000	26,922,915	9,222,915	52.11%	17,968,000	14,669,712	5,249,601	29.22%	
Out-of-State Tuition									
Summer	508,000	1,125,083	617,083	121.47%	784,000	1,318,565	534,565	68.18%	
Fall	9,221,000	14,612,937	5,391,937	58.47%	10,773,000	15,524,614	5,240,100	48.64%	
Spring	8,293,000	13,197,923	4,904,923	59.15%	9,669,000	9,669,000	0	0.00%	
Sub-Total Out-of-State Tuition	18,022,000	28,935,943	10,913,943	60.56%	21,226,000	16,843,179	5,774,665	27.21%	
International Tuition									
Summer	757,000	1,516,474	759,474	100.33%	1,042,000	1,495,666	453,666	43.54%	
Fall	6,829,000	10,567,646	3,738,646	54.75%	7,311,000	7,034,262	2,665,159	36.45%	
Spring	6,252,000	9,629,238	3,377,238	54.02%	6,730,000	6,730,000	0	0.00%	
Sub-Total International Tuition	13,838,000	21,713,357	7,875,357	56.91%	15,083,000	8,529,928	3,118,825	20.68%	
TOTAL TUITION	163,426,200	195,885,134	32,458,934	19.86%	172,362,000	80,289,070	186,933,634	14,571,634	8.45%
Application Fee									
TOTAL APPLICATION FEE	2,294,000	4,013,680	1,719,680	74.96%	2,294,000	0	2,294,000	0	0.00%
TOTAL	165,720,200	199,898,814	34,178,614	20.62%	174,656,000	80,289,070	189,227,634	14,571,634	8.34%

(1) Tuition fee discounts includes State University Grant and other tuition fee discounts.
(2) Term estimates are based on actual revenues.
(3) Term estimates are based on SAS Enrollment Report as of 9/19/2018 discounted based on prior year waiver/collections experience.
(4) Term and Application fee estimates are based on budgeted revenues.

Base Budget Reserve [a]

2018/19 Beginning Base Budget Reserve Balance			<u>1,341,048</u>
	BL Allocations		16,641,200
	BL Mandatory Costs		(12,263,200)
	Campus Revenue Adjustments		6,753,000
2018/19 Base Budget Reserve			<u>12,472,048</u>
2018/19 Approved Base Funding Requests			
President's Office			
	Executive Assistant to the President and Office Manager	PBAC 5/10/2018	(67,000)
	Presidential Speechwriter/Presidential Communications Director	PBAC 5/10/2018	(210,000)
	Travel	PBAC 5/10/2018	(5,250)
	Support the Aztec Identity Governing Authority	PBAC 5/10/2018	(200,000)
Academic Affairs			
	Tenure-Track Faculty Hiring	PBAC 5/10/2018	(1,250,000)
	Tenure and Promotion	PBAC 5/10/2018	(339,822)
	Library Funding	PBAC 5/10/2018	(100,000)
	IVC Operational Budget	PBAC 5/10/2018	(20,000)
	University Graduate Fellowship (UGF)	PBAC 5/10/2018	(500,000)
	AVP IT	PBAC 5/10/2018	(125,000)
	Accountant	PBAC 5/10/2018	(112,500)
	2017-18 Enrollment Growth (2778 FTES) - multi-year plan to fund base FTES	PBAC 5/10/2018	(1,000,000)
Student Affairs			
	Economic Crisis Response Team (ECRT) - Coordinator (SSP II)	PBAC 5/10/2018	(75,218)
	University Judicial Officer (SSP III)	PBAC 5/10/2018	(81,966)
	Educational Opportunity Program (EOP) @ Imperial Valley Campus	PBAC 5/10/2018	(30,000)
Business & Financial Affairs			
	Facilities Services – Custodians (restrooms)	PBAC 5/10/2018	(325,000)
	University Police – Administrative Lieutenant	PBAC 5/10/2018	(197,000)
University Relations & Development			
	Development Officer, Diversity Prospect Development	PBAC 5/10/2018	(37,500)
Institutional			
	Red & Black Shuttle	PBAC 5/10/2018	(163,340)
	EIS – Maintenance to APPA Level 3	PBAC 5/10/2018	(61,000)
	EIS – Maintenance to APPA Level 2	PBAC 5/10/2018	(185,500)
	EIS –Meeting Space Support Techician	PBAC 5/10/2018	(42,500)
	University Lease Payments	PBAC 5/10/2018	(165,000)
	Staff Positions	PBAC 5/10/2018	(300,000)
Subtotal 2018/19 Approved Base Budget Funding Requests			<u>(5,593,596)</u>
2018/19 PENDING Base Funding Requests			
Academic Affairs			
	AVP for Faculty Diversity and Inclusion (AVP FDI) Position	PBAC 9/27/2018	(276,006)
SubTotal 2018/19 PENDING Base Funding Requests			<u>(276,006)</u>
2018/19 Estimated Base Budget Reserve Balance			<u>6,602,446</u>
2018/19 Estimated Base Funding Available for Investment in the University	2018/19 Target Unallocated Base Budget Reserve		(4,000,000)
			<u>2,602,446</u>

[a] All allocations for position funding are inclusive of average benefits costs.

One-Time Reserve [a]

2018/19 Beginning One-Time Reserve Balance	20,067,887
2018/19 Target Unallocated One-Time Budget Reserve	(8,000,000)
2018/19 One-Time Funding Available for Investment in the University	12,067,887

2018/19 Approved One-Time Funding Requests

President's Office			
	Creation of Garden - "Building Bridges"	PBAC 5/10/2018	(250,000)
	Est. Relocation Cost for New President and Staff	PBAC 5/10/2018	(50,000)
Academic Affairs			
	Start-Up Funds for New TT Faculty	PBAC 5/10/2018	(2,100,000)
	Summer Smart Technology Upgrades	PBAC 5/10/2018	(500,000)
	Software and Database	PBAC 5/10/2018	(550,000)
	Provost Milestone Award	PBAC 5/10/2018	(100,000)
	Visiting Scholars	PBAC 5/10/2018	(75,000)
	2017-18 Enrollment Growth (2778 FTES) - 50% of 1x funding; balance to be funded in Fall	PBAC 5/10/2018	(2,498,977)
	Student Support in Instruction	PBAC 5/10/2018	(1,000,000)
	Instructional Equipment	PBAC 5/10/2018	(3,040,655)
	Cover Costs of Enrollment and Academic Support (2 years of \$1.25M)	PBAC 5/10/2018	(2,500,000)
	Social and Economic Vulnerabilities Initiative (3 years of \$51,560)	PBAC 5/10/2018	(154,680)
Student Affairs			
	Student Organization Conflict & Identity Awareness (SOCIA)	PBAC 5/10/2018	(200,000)
	ADA Mandatory Accommodations	PBAC 5/10/2018	(35,000)
	Black Resource Center - Infrastructure	PBAC 5/10/2018	(44,501)
Business & Financial Affairs			
	Project Manager	PBAC 5/10/2018	(180,000)
	Athletics – Baseball Warning Track	PBAC 5/10/2018	(175,000)
	Athletics – Aztecs Going Pro & Nutrition	PBAC 5/10/2018	(50,000)
University Relations & Development			
Institutional			
	Staff Professional Development	PBAC 5/10/2018	(250,000)
	ECCC	PBAC 5/10/2018	(500,000)
	Tennis Court Resurface	PBAC 5/10/2018	(80,000)
	Red & Black Shuttle	PBAC 5/10/2018	(240,040)
	Worker's Compensation Insurance Premium	PBAC 5/10/2018	(700,000)
	SDSU Home Page	PBAC 5/10/2018	(150,000)
	Painting	PBAC 5/10/2018	(500,000)
	Master Plan - EIR Mitigation	PBAC 5/10/2018	(2,200,000)
	Deep Cleaning in Classroom/Office	PBAC 5/10/2018	(500,000)
	Bridge Loan due to Early Registration	PBAC 5/10/2018	(860,000)
	Centennial Paver Repair	PBAC 5/10/2018	(1,000,000)
	SDSU Research Foundation	PBAC 5/10/2018	(750,000)
SubTotal 2018/19 Approved One-Time Funding Requests			(21,233,853)

2018/19 PENDING One-Time Funding Requests

Academic Affairs			
	Summer Enrollment Growth Incentive Program	PBAC 9/27/18	(273,600)
SubTotal 2017/18 PENDING One-Time Funding Requests			(273,600)

2018/19 Funding Sources [b]

B 2018-03 Enrollment Allocation	1,155,000
Estimated Tuition and Fee Revenues over Budget (Sum/Fall Only)	14,571,634
Estimated Tuition and Fee Revenues over Budget (Spring/Application Only)	
Estimated One-Time Carry-forward of Base Budget Reserve [c]	6,602,446
2018/19 Estimated One-Time Reserve Balance	20,889,514
2018/19 Target Unallocated One-Time Budget Reserve	(8,000,000)
2018/19 Estimated One-Time Funding Available for Investment in the University	12,889,514

[a] All allocations for position funding are inclusive of average benefits costs.
 [b] Additional \$5M held for 2017/18 funding gap as approved by PBAC on 2/16/2017.
 [c] Carry-forward of base budget reserve will be reduce as base funds are allocated.

SDSU Multi-Year Budget Plan

Institutional Base Reserve

	2014/15	2015/16	2016/17 (B 2016-02)	2017/18 (B 2017-05)	2018/19 (B 2018-02)
Beginning Balance:	4,236,929	2,675,762	5,200,077	1,588,256	1,341,048
New Resources:					
Tuition Rollback/Buyback					
GF Base adjustments	1,612,400	8,093,800	4,134,000	10,596,000	16,641,200
GF Base Compensation (15/16) - Faculty (2% each year)			2,424,000		
GF Base Compensation (16/17) - Faculty (2% each year)			2,537,000		
Est. Compensation Costs - Faculty (7%)			(9,100,000)		
GF Base Compensation (16/17) - Staff/Mgmt (2%)			2,593,000		
Est. Compensation Costs - Staff/Mgmt (3%)			(4,035,000)		
Est. Compensation Costs				(14,392,000)	(8,634,000)
Adjust Compensation Pool for Projected vs Actual Bargained Increases		982,000	120,000	2,500,000	
Student Success & Completion Initiatives (GF allocation)	836,000	3,104,000	2,068,000		
Enrollment Growth funding			(155,000)	(96,000)	
GF tuition fee discount adjustment based on campus relative student need	5,148,100	3,903,800	3,268,000	11,459,000	6,753,000
Basic Tuition Revenue (net of SUG tuition discounts)/Non-Resident Tuition	(2,718,500)	(8,093,800)	(4,134,000)	(2,954,000)	(3,629,200)
Est. Mandatory Costs	(225,200)	-	-	-	-
Est. Multi-Year Commitments [a]	4,652,800	7,834,800	(221,000)	7,209,000	11,131,000
Subtotal New Resources:	8,889,729	10,510,562	4,979,077	8,797,256	12,472,048
Subtotal Beginning Balance/New Resources:					
PBAC Allocations:					

Divisional Allocation					
University Non-Divisional Reduction					(200,000)
PRES Strategic Initiatives			(10,000)		(282,250)
PRES Critical Support Needs					
AA Strategic Initiatives	(803,528)	(1,096,706)	(2,180,017)	(1,999,055)	(1,689,822)
AA Critical Support Needs	(668,768)	(720,718)	(118,000)	(1,536,000)	(1,757,500)
SA Strategic Initiatives	(264,588)	(291,056)	(203,646)	(407,167)	(187,184)
SA Critical Support Needs	(25,000)	-	-	-	-
BFA Strategic Initiatives	(20,000)	(140,000)	(75,000)	(136,500)	(522,000)
BFA Critical Support Needs	(433,013)	(602,500)	(599,158)	(620,160)	(37,500)
URD Strategic Initiatives	(97,240)	(200,000)	(100,000)	(200,000)	(37,500)
URD Critical Support Needs	(301,800)	-	-	-	-
Instit. Strategic Initiatives			(105,000)	(82,188)	(917,340)
Instit Critical Support Needs		(107,400)			
Encumbered for 2014/15 AA Faculty hires					
Encumbered for 2015/16 AA Faculty hires	(2,300,030)				
4/16/15 PBAC Allocation	(1,300,000)				
11/19/15 PBAC Allocation		(652,105)			
(was 2016/17) Faculty hires		(1,500,000)			
1/18/2018 PBAC Allocation				(2,475,138)	
Pending Base Request PBAC 9/27/2018					
	(6,213,967)	(5,310,485)	(3,390,821)	(7,456,208)	(5,869,602)
Unallocated Base Reserve	2,675,762	5,200,077	1,588,256	1,341,048	6,602,446
Target Unallocated Base Reserve	(4,000,000)		(4,000,000)	(4,000,000)	(4,000,000)
Base Funding Surplus/(Deficit) from Target Reserve	1,200,077		(2,411,744)	(2,658,952)	2,602,446

Subtotal PBAC Allocations:

[a] Faculty Promotion Funding Agreed upon formula = funding allocated for 70% of cost; estimated cost, data not available until late May.

SDSU Multi-Year Budget Plan

Institutional One-time Reserve

	2014/15	2015/16	2016/17 (B 2016-02)	2017/18 (B 2017-05)	2018/19 (B 2018-02)
Beginning Balance:	10,844,769	9,065,498	9,986,199	15,337,595	20,067,887
New Resources:					
Unallocated Institutional Base Reserve [b]	2,675,762	5,200,077	1,588,256	1,341,048	6,602,446
Encumbered for Future Year AA Faculty hires - available for 1-time use in Current Year	2,300,030	1,500,000	1,500,000	-	-
GF Base Compensation (15/16) withheld by CO - Faculty (2%)		2,424,000	2,424,000		
Student Success & Completion/Graduation Initiatives			254,000	744,000	
AA GI 2025 allocation (course sections, advising, data-informed decisions)			1,650,000	(744,000)	
2016/17 Student Success (\$35M CSU)			15,248,090	18,731,838	14,571,634
Est. Fee Revenues over Budget (Sum/Fall)	21,566,615	13,910,518	14,934,851	15,446,776	
Est. Fee Revenues over Budget (Spr/application)		12,668,170			
1x compensation from CO				3,456,000	
B 2018-03 Enrollment Allocation					1,155,000
Subtotal New Resources:	26,542,407	33,278,765	37,599,197	38,975,662	22,329,080
Subtotal Beginning Balance/New Resources:	37,387,176	42,344,263	47,585,396	54,313,257	42,396,967
PBAC Allocations:					
Divisional Allocation					(250,000)
PRES Strategic Initiatives					(50,000)
PRES Critical Support Needs					(50,000)
AA Strategic Initiatives	(850,000)	(3,391,000)	(10,349,600)	(6,544,000)	(3,325,000)
AA Critical Support Needs	(3,118,428)	(4,169,032)	(4,679,508)	(4,803,700)	(9,194,312)
SA Strategic Initiatives	(137,810)	(451,000)	(1,530,749)	(1,300,000)	(200,000)
SA Critical Support Needs				(208,000)	(79,501)
BFA Strategic Initiatives	(380,000)	(38,000)	(5,000)		
BFA Critical Support Needs	(500,000)	(218,732)	(103,000)	(390,000)	(405,000)
URD Strategic Initiatives	(595,000)	(450,000)	(300,000)	(100,000)	
URD Critical Support Needs					
Instit. Strategic Initiatives	(1,250,000)	(1,250,000)	(1,250,000)	(750,000)	(750,000)
Instit. Critical Support Needs	(1,777,000)	(1,900,000)	(2,430,000)	(5,365,000)	(6,980,040)
Encumbered for 2015/16 AA faculty start-up	(2,240,000)				
Encumbered for 2016/17 AA faculty start-up		(1,617,000)			
10/16/14 PBAC Allocation	(3,043,440)				
12/11/14 PBAC Allocation	(5,075,000)				
2/12/15 PBAC Allocation	(855,000)				
4/16/15 PBAC Allocation		(10,531,500)			
11/19/15 PBAC Allocation		(6,220,000)			
2/25/16 PBAC Allocation		(2,121,800)			
4/14/16 PBAC Allocation			(5,402,059)		
2/16/17 PBAC Allocation			(5,000,000)		
2/16/17 PBAC Allocation - HOLD for 17/18 Funding Gap					
4/13/17 PBAC Allocation					
Project Balances for Completed PBAC Projects		102,115		13,330	
1/18/2018 PBAC Allocation				(2,520,000)	
2/15/2018 PBAC Allocation				(12,278,000)	
Pending One-time Request PBAC 9/27/18					(273,600)
Subtotal PBAC Allocations:	(28,321,678)	(32,358,064)	(32,247,801)	(34,245,370)	(21,507,453)
Unallocated One-Time Reserve	9,065,498	9,986,199	15,337,595	20,067,887	20,889,514
Target Unallocated One-Time Reserve		(8,000,000)	(8,000,000)	(8,000,000)	(8,000,000)
Est. One-Time Funding Surplus/(Deficit) from Target Reserve	1,986,199	1,986,199	7,337,595	12,067,887	12,889,514

[b] Carry-forward of base budget reserve will be reduce as base funds are allocated.

AA Requests to PBAC for Additional Funding in FY 2018-2019

Requests for base funds

\$276,006

Funds (salary and benefits) are requested for a new position of Associate Vice President of Academic Affairs for Faculty Diversity and Inclusion. The Associate Vice President for Faculty Diversity and Inclusion is a senior leadership position focused on building the inclusive excellence of our faculty and on the faculty's pivotal role in establishing campus climate, the quality of the SDSU student experience, and enhancing diversity within the pathways through higher education. As the University's Chief Diversity Officer, the Associate Vice President will maintain a close working relationship with and serve as a resource to deans, vice presidents, and other senior administrators on matters of inclusion and diversity, and will work to engage the University Senate in effecting campus change. The Associate Vice President reports directly to the Provost, and acts for the Provost in their absence. Working closely with senior leadership in Student Affairs, Human Resources, and the University Senate, the Associate Vice President provides visionary and collaborative institutional leadership, to facilitate an integrated vision and shared responsibility for advancing institutional goals and for fostering and affirming a campus culture based on our core values of excellence, equity, diversity, and inclusion. In particular, the Associate Vice President helps the campus chart a course that ensures attention to those components of our academic and social environment that affect campus climate, diversity, and inclusiveness. Campus-wide and University-wide coordinating, policy development, and liaison responsibilities include membership on a variety of standing committees and boards. The Associate Vice President spearheads strategic vision planning related to diversity and inclusion initiatives, especially those that aim to build diversity and excellence within the academic pipeline. Additional responsibilities include working directly with faculty to assess campus climate related to diversity and inclusion and to advance goals in these areas.

Requests for 1-Time funds

Summer enrollment growth incentive program

\$273,600

To facilitate growth of summer enrollment, which is critical for students' timely progress toward degree and an important factor in University's fiscal health, an incentive program for colleges and SDSU IV was instituted two years ago. After last year's more than 13% growth in summer enrollment, a new, additional 4% higher target was set for the University (3035 FTES). The incentive program, along with a number of other measures, is meant to facilitate achievement of the goal. The program rewards each FTES above the target with \$1,200. In Summer 2018, colleges and SDSU IV realized 3,263 FTES or 228 FTES above the 3,035 target. Thus \$273,600 ($228 * \$1,200$) is requested to fund the program commitments to colleges and SDSU IV.