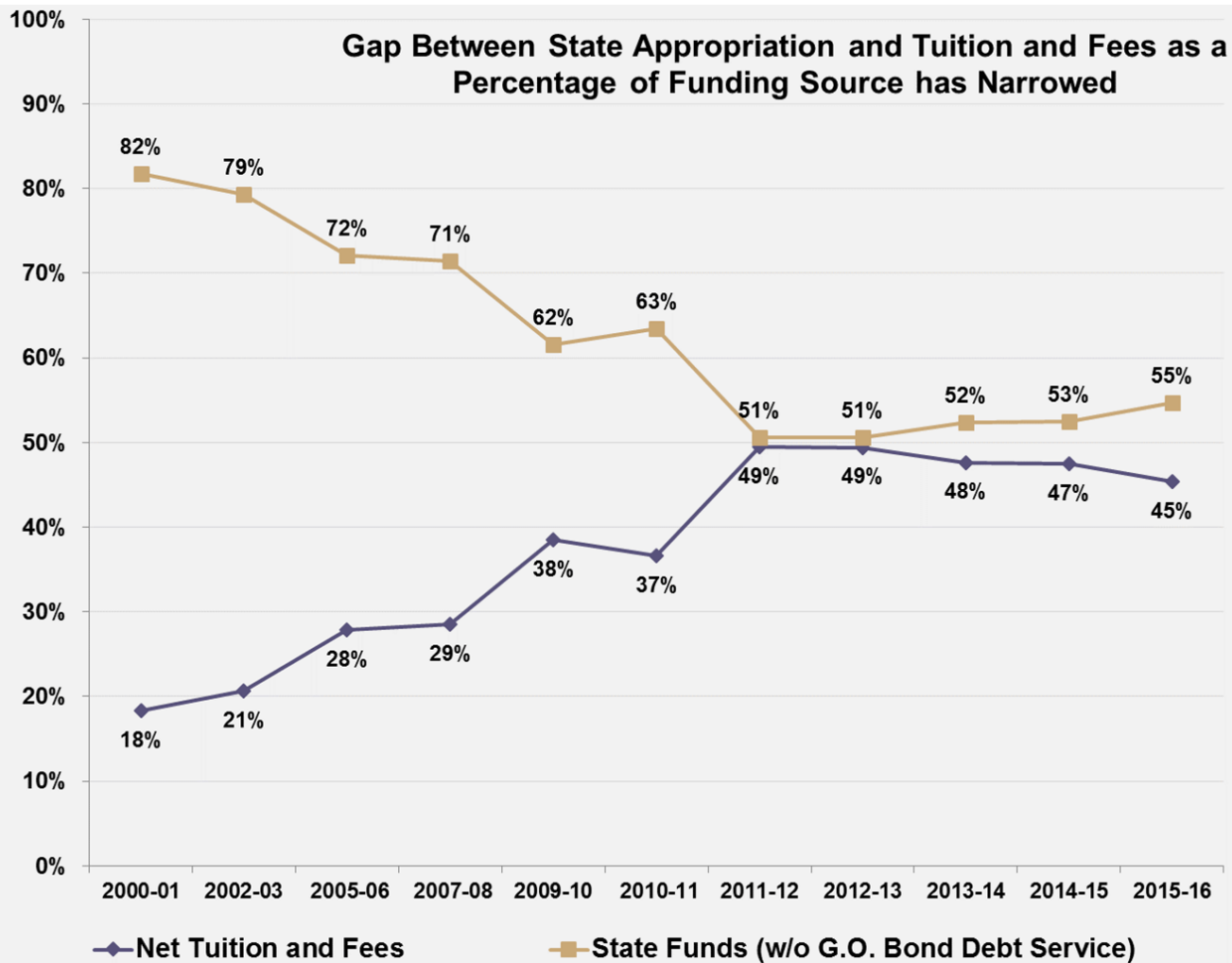


**2016/17
BUDGET PLANNING**

SAN JOSÉ STATE UNIVERSITY
PRELIMINARY PLAN
APRIL 2016



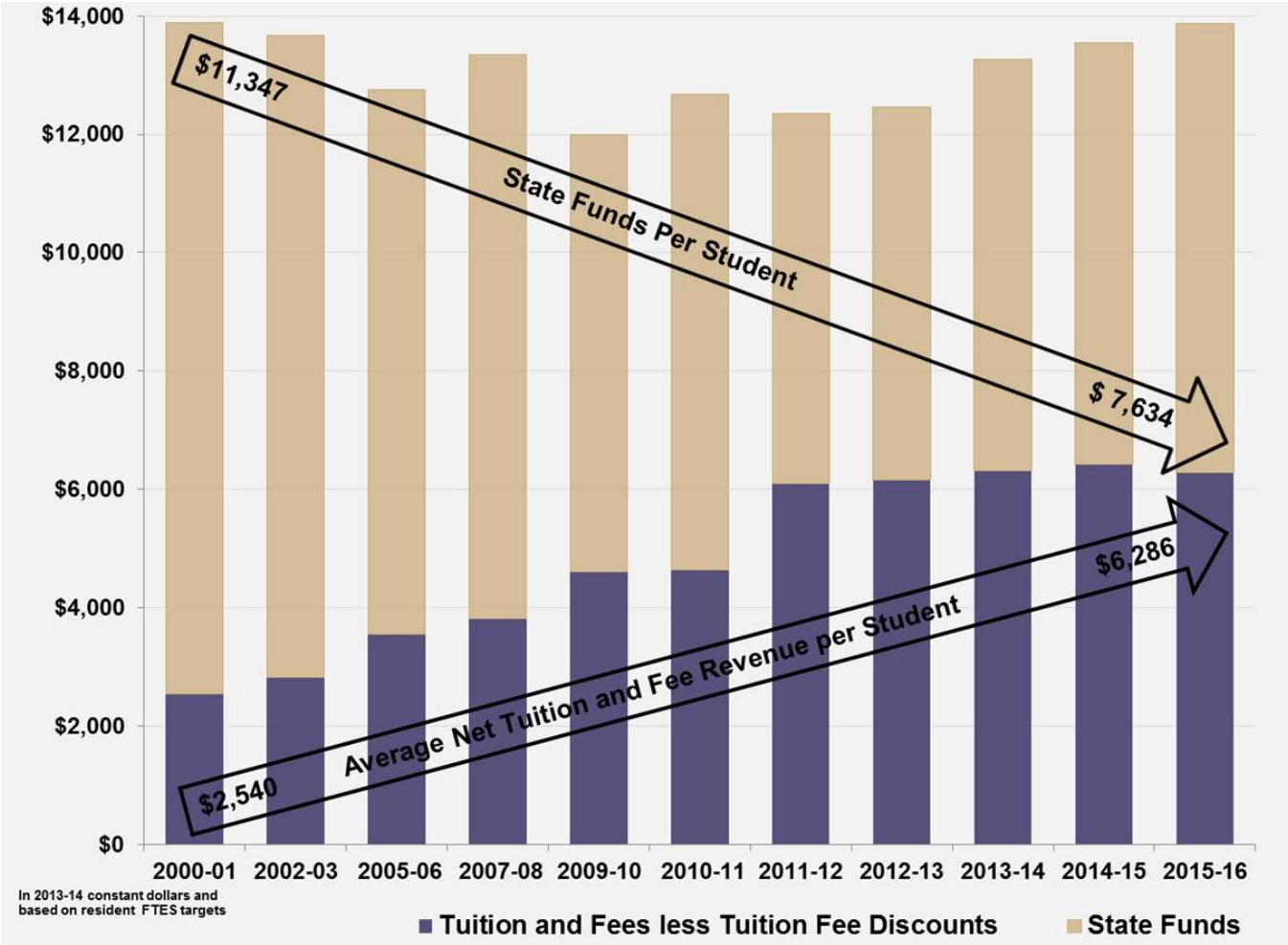
CSU / STATE FISCAL OVERVIEW



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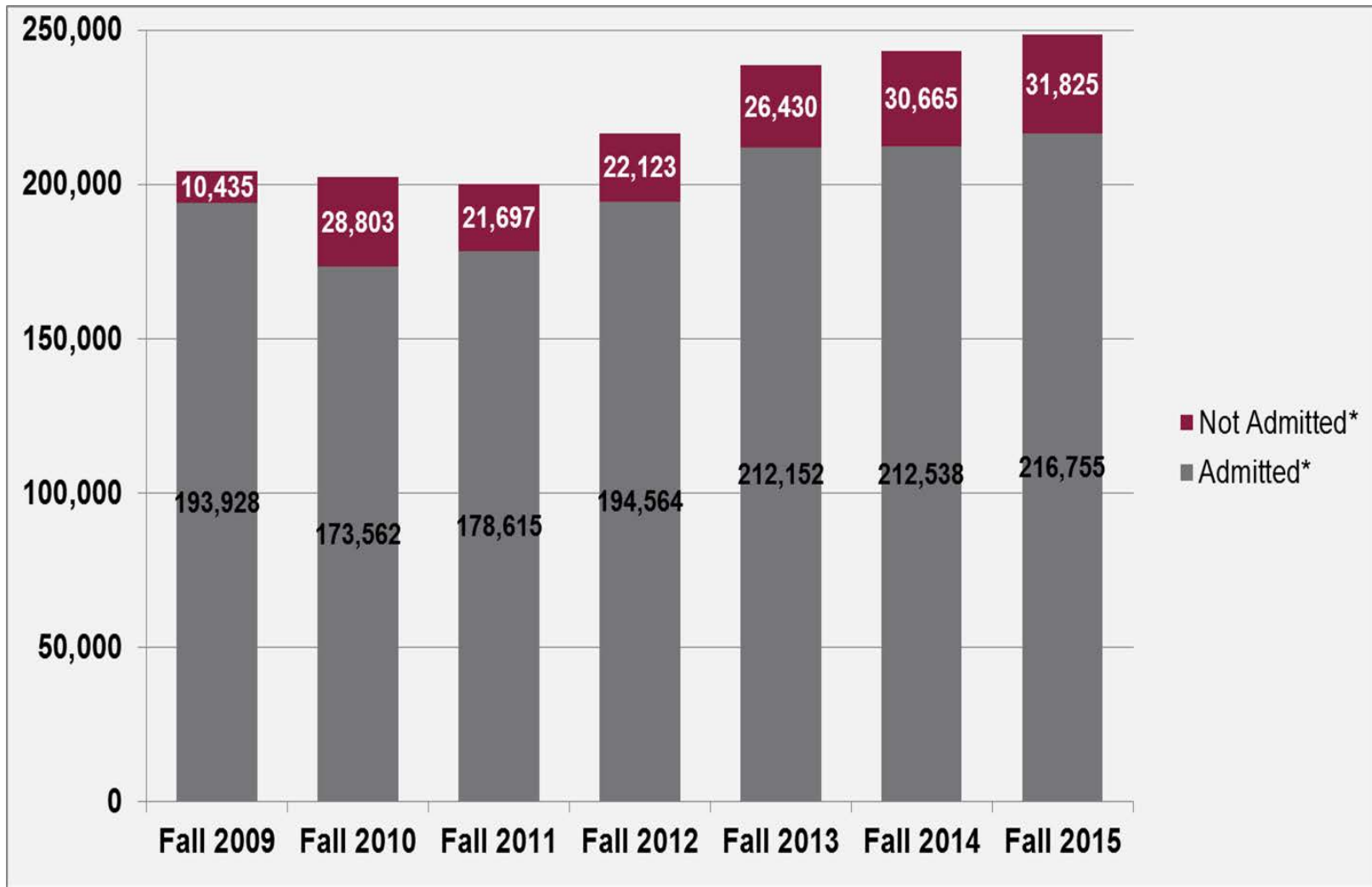
LOWER STATE SUPPORT
HAS FORCED MORE
RELIANCE ON
STUDENT TUITION &
FEES



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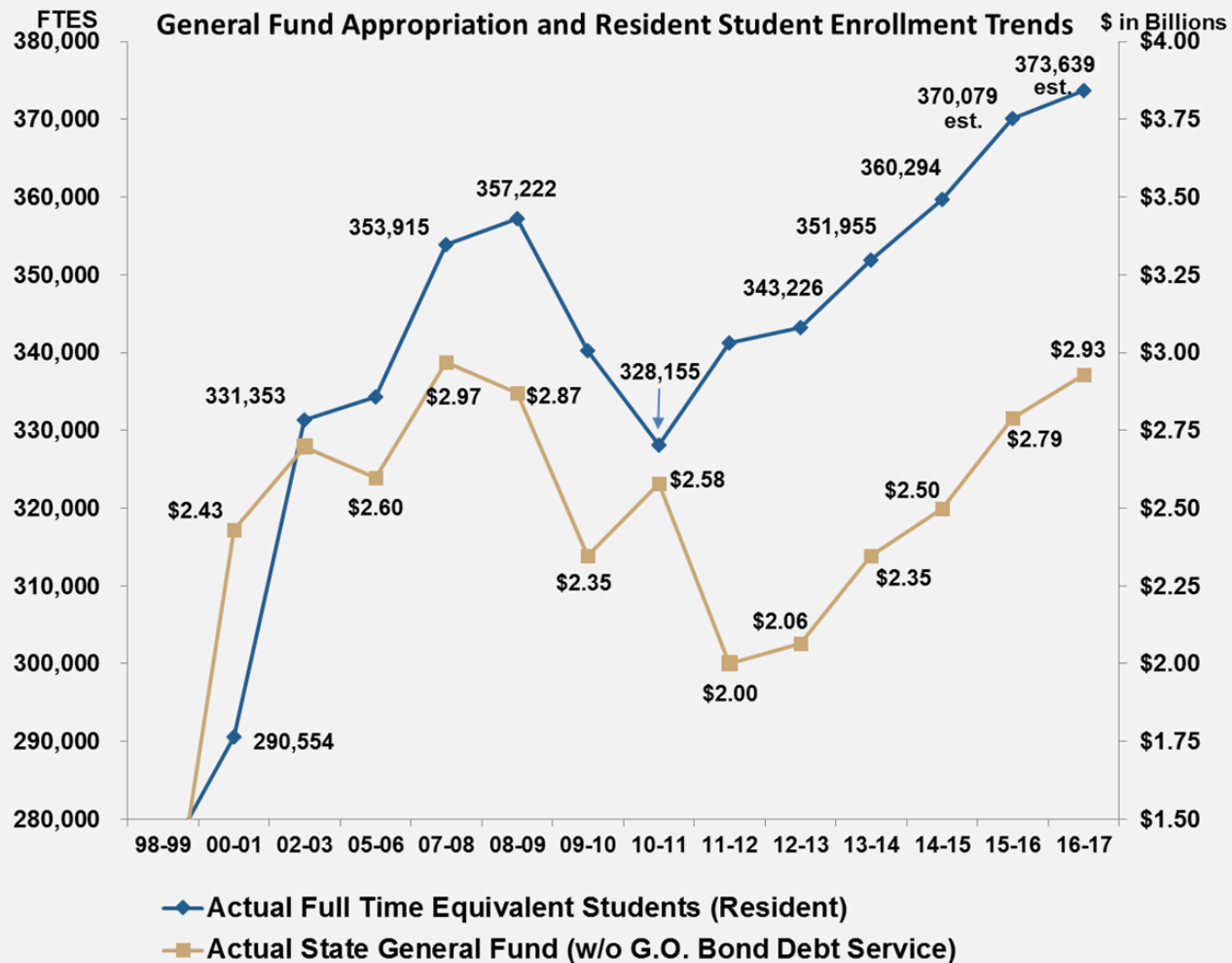
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ELIGIBLE UNDERGRADUATE APPLICANTS - CA RESIDENTS



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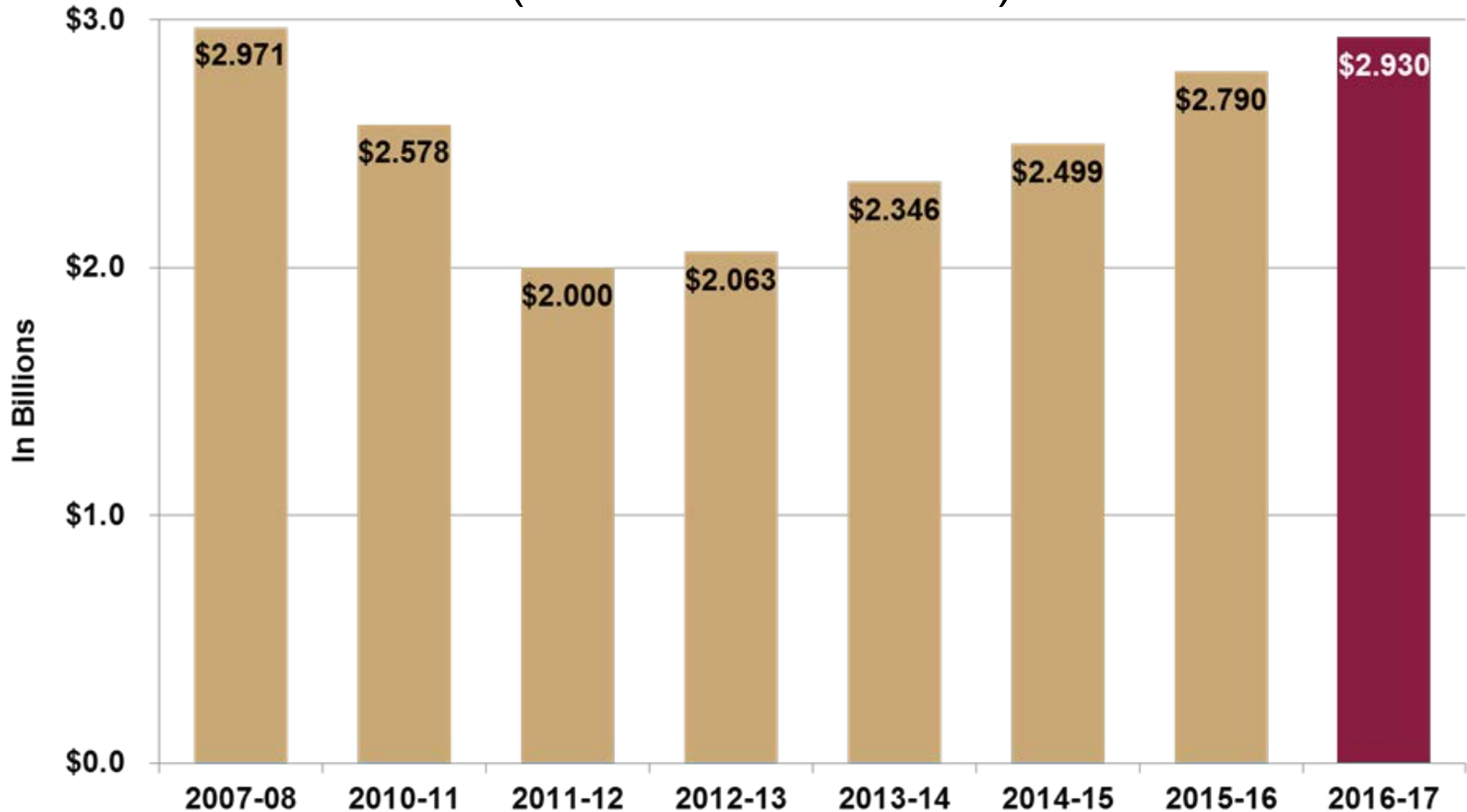


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STATE GENERAL FUND APPROPRIATION OVER TIME

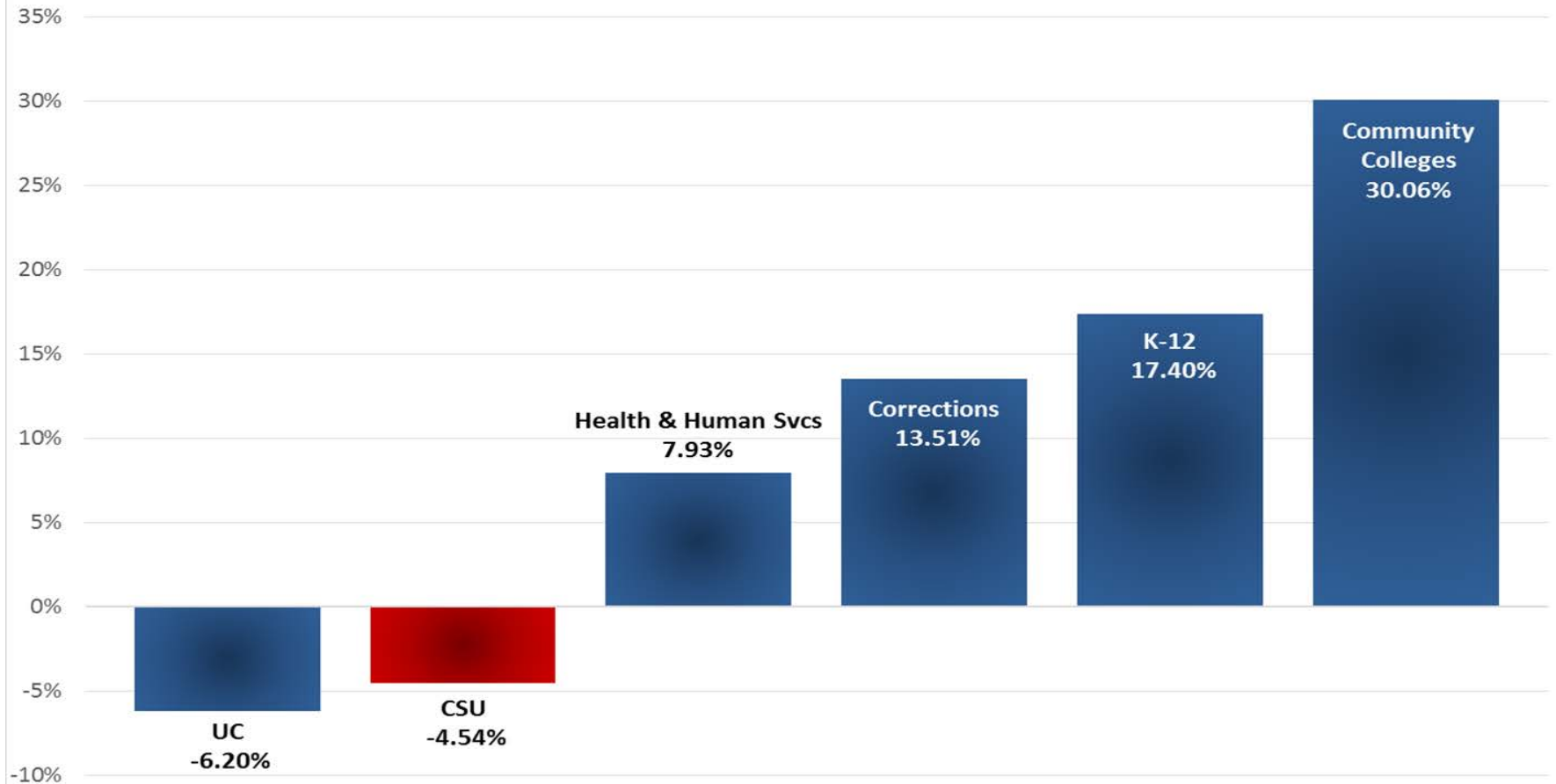
(NO GO OR PWB BONDS)



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State General Fund Changes by State Program 2007/08 through 2015/16



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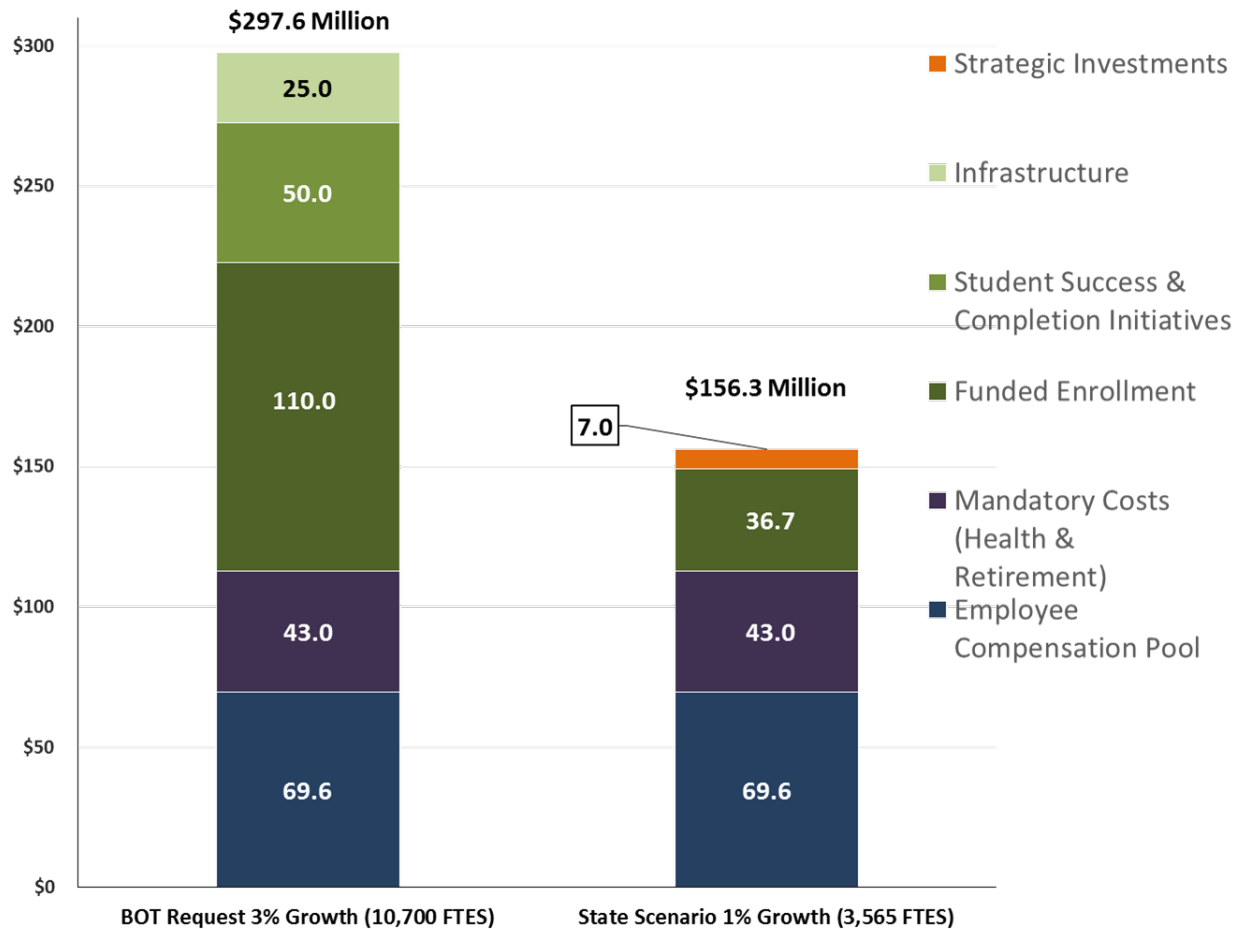
ALMOST BACK TO EQUILIBRIUM...RIGHT?

NOPE!

Health Care Costs	+\$159 Million
Retirement Costs	+\$188 Million
Inflation	<u>+/- \$270 Million</u>
	+/- \$600 Million

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FUTURE CHALLENGES

- CalPERS – Retirement and Health Care Premium Costs
- Collective Bargaining – Significant Cost Pressures
- Senate – Graduation Incentive Grant Proposal
- Governor's Administration – More and Faster
- Minimum Wage – \$15/Hour Deal in Capitol
- TICAS—Middle Class Scholarship Program Savings for Financial Aid not University Support

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FUTURE CONSIDERATIONS

- Full Funding of BoT Support Budget Request
- Expanded Investment Authority (SB 1412)
- Sustainable Tuition Policy
- Deferred Maintenance & Infrastructure Needs
- State University Grant Program
- Employee/Retiree Salary & Benefits
- Proposition 30 Sunset

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STATE FUNDING REQUESTED VS. GOVERNOR'S PROPOSAL

CSU Request	\$241.7M
Proposed by the Governor	\$140.4M
Funding Gap before Compensation	\$101.3M

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**SJSU PRELIMINARY BUDGET
PLAN FY 16/17**

PREVIEW: MAJOR BUDGET IMPACTS

- *New Capital Financing Framework* – Self funding capital projects.
 - Non Recurring M&R + New Buildings
 - 1x funds for 10% campus contribution to bond funding
 - Base Reserve for Debt Service

Faculty Compensation Plan – Wait and see.

Student Average Unit Load (AUL) – Meet current FTE targets with higher unit loads = fewer fees per student.

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RECAP OF NEW CAPITAL FINANCING FRAMEWORK

OLD

CA General Obligation (GO) bonds

- Infrequent
- Not enough \$\$ for all

Competition

- State agencies
- Other CSU campuses

NEW

CSU & Campuses can self-fund projects or bond (borrow)

- Establish reserve funds
- Pay-As-U-Go
- Long-term financing

2 Project Categories

- CSU Funded
- Campus Funded

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CAPITAL UPDATE

More money is on the table, but ...

Don't forget about the down payment!

Examples of Different “Colors” of Capital Money

\$10.1M from \$130M Bond in 14-15 (received for 15-16)

\$1.2M in GF Appropriation for 15-16 (Received in 15-16)

16-17 Appropriation for \$25M

Divide \$25M among 23 campuses...

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ENROLLMENT PLAN

	2014/15			2015/16			2016/17		
	Base	Surplus	Total	Base	Surplus	Total	Base	Surplus	Total
Resident	21,748	762	22,510	22,001	907	22,908	22,411	1,075	23,486
Non-res	1,927	373	2,300	2,400	295	2,695	2,650	275	2,925
Total	23,675	1,135	24,810	24,401	1,202	25,603	25,061	1,350	26,411

AUL		11.77			12.32		
Headcount		30,135	1,485	31,620	29,550	1,592	31,142

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BUDGET PLANNING PRIORITIES

Mandatory Costs

- Proposed Faculty Settlement
- New Space, Benefits
- Prior Year Program Commitments

Student Graduation and Retention

- Increase AUL through providing additional courses (primarily bottlenecks) and encouraging students to take more units

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BUDGET PLANNING PRIORITIES

Increased AUL (11.77 to 12.32)

Campus Academic Goal is to Improve Graduation Pathways through

- Increase Course Availability
 - Increase Units taken per term
 - Improve time to degree
-
- How do we do this?
 - Hold headcount constant
 - Add course sections
 - Cost of support by the #s

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2016/17 SOURCES OF FUNDS

Revenues(Sources)	Base	One-time
210 Resident FTES (State Enrollment Support)	\$ 1.2 M	
State GF Benefits (Retirement, Health) Support	\$ 3.5 M	
State Compensation Support*	\$ 8.9 M	
Misc. State General Fund Support	\$ 0.1 M	
660 FTES Base Tuition (Adjustment for Headcount)	(\$ 1.4 M)	
1,350 Surplus FTES		\$ 8.4 M
Non-res FTES (Non-res Fee)	\$ 2.2 M	\$ 2.4 M
Total Revenues	\$14.5 M	\$ 10.8 M

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2016/17 MANDATORY COSTS

Mandatory Costs	Base	One-time
Instructional Support (660 Base FTEs & 1,350 Surplus)	(\$ 4.2 M)	(\$ 5.8 M)
Benefits & New Space Cost Increase	(\$ 3.6 M)	
Compensation	(\$ 10.9 M)	
Total Mandatory Costs	(\$ 18.7 M)	(\$5.8 M)

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SUMMARY OF REVENUE & FUNDS AVAILABLE

	Base	One-time
2016/17 Funds	\$14.5 M	\$ 10.8 M
Prior Year Funds*	\$ 3.2 M	\$ 7 M
Total Funds Available	\$ 17.7 M	\$ 17.8 M
Mandatory Costs	(\$ 18.7 M)	(\$ 5.8 M)
Campus Priorities	(TBD)	(TBD)
Prior Year Funding Commitments	(\$ 0.9 M)	
Total Expenses	(\$ 19.6 M)	\$ 5.8 M
<i>Total Available*</i>	<i>(\$ 1.9 M)</i>	<i>\$ 12 M</i>
Net Available after Covering Base Deficit		\$ 10.1 M

* Estimated

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WHAT HAPPENS NEXT?

New Revenues less Mandatory Costs & Prior Commitments =
\$10.1 M Available for 1x Use in 2016-17

Divisional requests for resources and resource allocation are being reviewed! More information to come.

Resource Planning is a continuous process!

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STUDENT SUCCESS, EXCELLENCE AND TECHNOLOGY FEE

SSETF for Fall 2016 is unchanged.

Effective FY 2014/15, SSETF was “unbundled” and “frozen” at the Fall 2013 level.

- SSETF IRA = \$154.50 per semester
- SSETF Course Support = \$31.50 per semester
- SSETF Student Success = \$124 per semester
- Total = \$310 per semester

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SSETF– BIENNIAL STUDENT SUCCESS FUNDED PRIORITIES

Project	2015/16	2016/17
Technology Enabled First Year for Freshmen	\$ 319 K	\$ 319 K
African American + Chican@/Latin@ Student Success Task Forces	\$272 K	\$272 K
Academic Center Upgrades and Expansions	\$ 500 K	
Spartan Scholar Program	\$ 193 K	\$ 1.3 M
Total	\$ 1.3 M	\$ 1.9 M

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BUDGET COMMUNICATION SCHEDULE

March	Cabinet approval of Preliminary Budget
April	Issue a Budget Update that provides an overview of funding, mandatory costs (including FTES support to AAD), and funds available for distribution. Publish budget preliminary presentation. Education Campaign: Hold an Open Forum Present to Deans and Academic Senate Ex
May	Following Cabinet approval, publish Sources and Uses for <u>Op Fund and SSETF</u> on the Web.
September	Following final budget allocation from CSU in August, publish the Annual Budget Report (which contains final "Sources and Uses").
October	Senate budget presentation of the Annual Budget Report
November	Cabinet approval of Preliminary FTES used for budgeting Following Trustee approval of the CSU Budget Request, put out a Budget Update to present any significant updates to the current year budget (this would be important in years when we have a mid-year tuition fee increase or other action), and to give a high level snapshot of the CSU Budget Request for the next year (i.e., FTES increases, compensation adjustments, etc.). The value of this Update is to maintain transparency and help people feel they are in the loop. It also lays the groundwork for the January Governor's Budget release, which is the Governor's response to the CSU budget request.

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