2020-21 Annual Budget Report

Charlie Faas
VP Administration & Finance/CFO
The 2020 Context

FEDERAL AID HELPED BLUNT THE IMPACT OF STATE BUDGET CUTS TO UC AND CSU DURING THE GREAT RECESSION

Latest News: Coronavirus in California

Prepare for the CARES Act
Impacts from COVID-19 & resulting recession are going to be felt for many years

We should NOT plan to get additional State funding for some time

Campuses are viewed (by Sacramento & Unions) to have large reserves

CSU is NOT planning a furlough for 20/21
  - Note that only the System can announce Furloughs
  - Campuses only have the ability to do layoffs

Each CSU individual campus has very different issues / solutions
  - Enrollment / Reserves / County Health / Athletics / Leadership

2020-21 CSU Budget Summary (B$)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>2019-20 Revised General Fund Budget</td>
<td>$4.021</td>
</tr>
<tr>
<td>2020-21 General Fund Decrease</td>
<td>(0.299)</td>
</tr>
<tr>
<td>2020-21 Total General Fund Budget</td>
<td>$3.722</td>
</tr>
<tr>
<td>2020-21 Gross Tuition &amp; Fees</td>
<td>$3.140</td>
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<tr>
<td>2020-21 Total Operating Budget</td>
<td>$6.862</td>
</tr>
<tr>
<td>-----------------------------------------------------------------</td>
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<tr>
<td>University of Connecticut (Storrs, CT)</td>
<td>$13,366</td>
</tr>
<tr>
<td>Rutgers University (New Brunswick, NJ)</td>
<td>$14,131</td>
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<tr>
<td>Illinois State University (Normal, IL)</td>
<td>$13,666</td>
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<tr>
<td>Wayne State University (Detroit, MI)</td>
<td>$12,791</td>
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<tr>
<td>George Mason University (Fairfax, VA)</td>
<td>$10,752</td>
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<tr>
<td>University of Maryland, Baltimore County</td>
<td>$11,006</td>
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<tr>
<td><strong>Comparison Average</strong></td>
<td><strong>$10,674</strong></td>
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<tr>
<td>University of Colorado at Denver</td>
<td>$10,719</td>
</tr>
<tr>
<td>Arizona State University at Tempe</td>
<td>$10,478</td>
</tr>
<tr>
<td>Georgia State University at Atlanta</td>
<td>$10,686</td>
</tr>
<tr>
<td>Cleveland State University</td>
<td>$9,636</td>
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<tr>
<td>University of Texas at Arlington</td>
<td>$8,878</td>
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<td>State University of New York at Albany</td>
<td>$9,036</td>
</tr>
<tr>
<td>University of Wisconsin at Milwaukee</td>
<td>$9,429</td>
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<tr>
<td>North Carolina State University</td>
<td>$8,581</td>
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<tr>
<td>University of Nevada at Reno</td>
<td>$6,952</td>
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<tr>
<td><strong>California State University</strong></td>
<td><strong>$6,818</strong></td>
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</table>
**Transformation 2030**
- Our Strategic Plan
- Guideposts for short term & long term decision-making about resources

**Priorities**
Student Success
Strategic Investment in Academic Enterprise
Health & Safety
Infrastructure under COVID
3-Yr Budget for Initiative Highlights

- Tenure-Track Faculty Hiring & Start-up
- Academic Advisors
- Research Growth
- Graduation Rate increases
- Grow Graduate Studies
- Establish Doctorate in Nursing Practice
- Safety
- Academic Facilities
- Data Analytics

*These items were the focus of our Transformation 2030 work last year*
$92M problem
‘20-’21 Budget Impact at SJSU

- State reduction ($18.6M)
- Enrollment Impacts ($16M)
  - Loss of 500 Non-residents ($8.5M) and 655 Residents ($4.2M)
  - Average Unit Load Increases ($1.1M)
  - Special Enrollment Allocation ($2.2M)
- Mandatory Costs ($2M)
- COVID-19 Impacts ($43.7M)
- Transformation 2030 ($12M)
  - Faculty Recruitment
  - Investment in Research and Innovation Infrastructure
  - Various Initiatives (Faculty Startup, Website, Diversity Positions)
SJSU Resources

SJSU Reserves

<table>
<thead>
<tr>
<th>General Fund Budget</th>
<th>TOTAL SJSU Budget</th>
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</thead>
<tbody>
<tr>
<td>$419M</td>
<td>$663M</td>
</tr>
</tbody>
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Months of Reserves

- 4.7 Months

Months of Fungible Reserves

- 3.3 Months

General Fund

- Reserves $83M
- Fungible $60M

GF, Enterprises & Auxiliaries

- $161M
- $115M
- $207M
- $159M

Shown on CSU Transparency Portal
<table>
<thead>
<tr>
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<th>20/21</th>
<th>21/22</th>
<th>22/23</th>
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<tbody>
<tr>
<td>Reduce Fungible Reserves</td>
<td>-60%</td>
<td>-20%</td>
<td>-20%</td>
</tr>
</tbody>
</table>

- Reductions are on the NET Reserves remaining
- FY21/22: 40% Reserves Remain
- FY22/23: ONE month of Fungible Reserves

This model assumes no new financial challenges. If there are further reductions to state or federal funding, SJSU will need to be even more creative about how to close the gap.
Designated Balances and Reserves

Click the graph to drill down. For additional information, click stories.opengov.com/csu/published/Hy_5X4r9X.

Updated On 4 Sep, 2020

Broken down by Equities: San Jose

Visualization

- 2015-16 Actuals
- 2016-17 Actuals
- 2017-18 Actuals
- 2018-19 Actuals
- 2019-20 Actuals

Reports
- Total Annual Revenues From All Sources
- Total Annual Expenses From All Sources
- CSU Operating Fund Annual Revenues
- CSU Operating Fund Annual Expenses
- Cash Invested at Fiscal Year End
CARES Act (HEERF) Distribution Plan

<table>
<thead>
<tr>
<th>Grant Sources</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>Student Grant Aid</td>
<td>$14,384,773</td>
</tr>
<tr>
<td>Institutional</td>
<td>$14,384,773</td>
</tr>
<tr>
<td>Minority Serving Institution</td>
<td>$2,214,470</td>
</tr>
<tr>
<td>Total</td>
<td>$30,984,016</td>
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</tbody>
</table>

- Direct Student Grants: $14,384,773
- Housing & Meal Plan, Parking Refunds: $10,000,000
- Safety Measures/PPE: $3,224,243
- Teach Online-IT: $775,000
- Academic Support Lab Boxes Teach Online Summer Institute: $2,600,000
Federal Cares from 19/20 applied  ($16.5M)
  - Housing/Dining/Parking  ($10M)
  - Academic Affairs  ($2.6M)
  - IT / FD&O  ($3.9M)

Reserves Usage  ($59M)
  - “Push to Center” Beginning Balances
  - Includes Auxiliary contributions

Division Reductions  ($6.2M)

Hiring Chill for 4+ months  ($8.7M)

Travel restrictions  ($2.6M)

Program deferrals  ($2.7M)
Chart above displays the breakdown of the Operating Fund base expenditure budget. Budget excludes Restricted Student Aid (primarily a U-Wide tuition discount). Employee benefits have been estimated for all Divisions at a rate of 48%. More details are available in the Annual Budget Report (p. 11).
SJSU Expenditure Budgets

Operating Fund $419M

- Research Fndn $59M
- Tower Fndn $29M
- Student Union, Inc. $14M
- Associated Students $9M
- Spartan Shops $7M Chartwells
- Student Health $15M
- SSETF $22M
- Housing $34M
- Lottery $2M
- Parking $4M
- Athletics Self-Support $8M
- Extended Ed. $37M
- Spartan Shops $7M Chartwells

Total $662M

SSETF $22M

Other Programs $3M

Housing $34M

Parking $4M

Athletics Self-Support $8M

Extended Ed. $37M

Lottery $2M

SSETF $22M

Total $662M
Breakdown of Operating Fund Expenditures
2020/21 Budget

- Salaries: 52%
- Benefits: 24%
- Student Aid: 10%
- Operating Expenses & Equipment: 11%
- Utilities: 3%

16
Breakdown of Salary Expense by Group
2020/21 Budget

- Faculty Salaries: 53%
- Support Staff: 31%
- Executive, Management & Supervisory: 13%
- Department Chairs: 2%
- Student Assistants: 1%
For more information, visit:

http://www.sjsu.edu/finance/about_us/budget/budget_reports/

http://www.sjsu.edu/adminfinance/about/budget_central/