



Academic Senate Budget Committee Discussion

**CPP Annual Budget
FY 2023-24**

November 22, 2023

Presenters

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President

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Interim Provost & Vice President for Academic Affairs

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Topics

- **Enrollment Trends**
- **FY23-24 CPP Budget Overview**
- **FY24-25 CSU Budget Overview**

I. Enrollment Trends

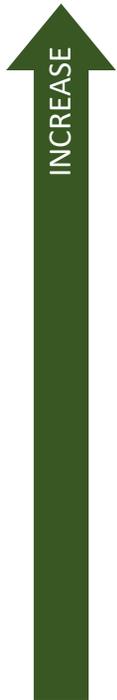
National Enrollment Trends

Undergraduate enrollment increased by 2.1% in Fall 2023, marking the first post-pandemic growth across all institutions.

Community college attendance was up 4.4% and was responsible for about 60% of the overall gains in undergraduate attendance.

While overall undergraduate enrollment growth was up, freshmen attendance declined by 6.1% in public and 4% in private institutions.

University of California (9 Campuses)



A record number of CA freshmen admits, totaling 88,285 - a 3.5% YOY increase

Increased admission rates for community college transfers - from 75.7% to 77.5% YOY

Significant increase in the number of underrepresented students in its history, with a 4% growth

55% of California students at the university pay no tuition

19% decrease in out-of-state admissions

12.2% decline in international admission



UC Strategies to Grow and Diversify Students

CALIFORNIA, HIGHER EDUCATION

Data shows rise in underrepresented groups, in-state students in UC admissions



UC admits record number of California first-year students for fall 2023, led by Latinos



Los Angeles Times

- The UC admitted the largest class of California freshmen and historically underrepresented students in the system's history for the 2023-24 academic year.
- UC admitted 39,000 underrepresented students, making up 44% of admitted freshmen, the highest percentage ever.
- A total of 88,285 California residents, comprising 68% of the UC incoming freshman class.

<https://www.diverseeducation.com/reports-data/article/15544357/uc-system-admits-most-underrepresented-minorities-ever>

<https://www.latimes.com/california/story/2023-08-08/uc-admits-record-number-of-california-first-year-students-led-by-latinos>

https://www.ucop.edu/institutional-research-academic-planning/_files/factsheets/2023/admission-table-1-1.pdf

California Community Colleges: AB 927

Where to get a low-cost bachelor's degree close to home and a job lead: Community college



Los Angeles Times

Promise Roberts, 58, an Antelope Valley College graduate, stands near a plane used for a class that is part of the college's bachelor's degree program in airframe manufacturing technology. (Genaro Molina / Los Angeles Times)

<https://www.latimes.com/california/story/2023-09-25/california-community-colleges-baccalaureate>

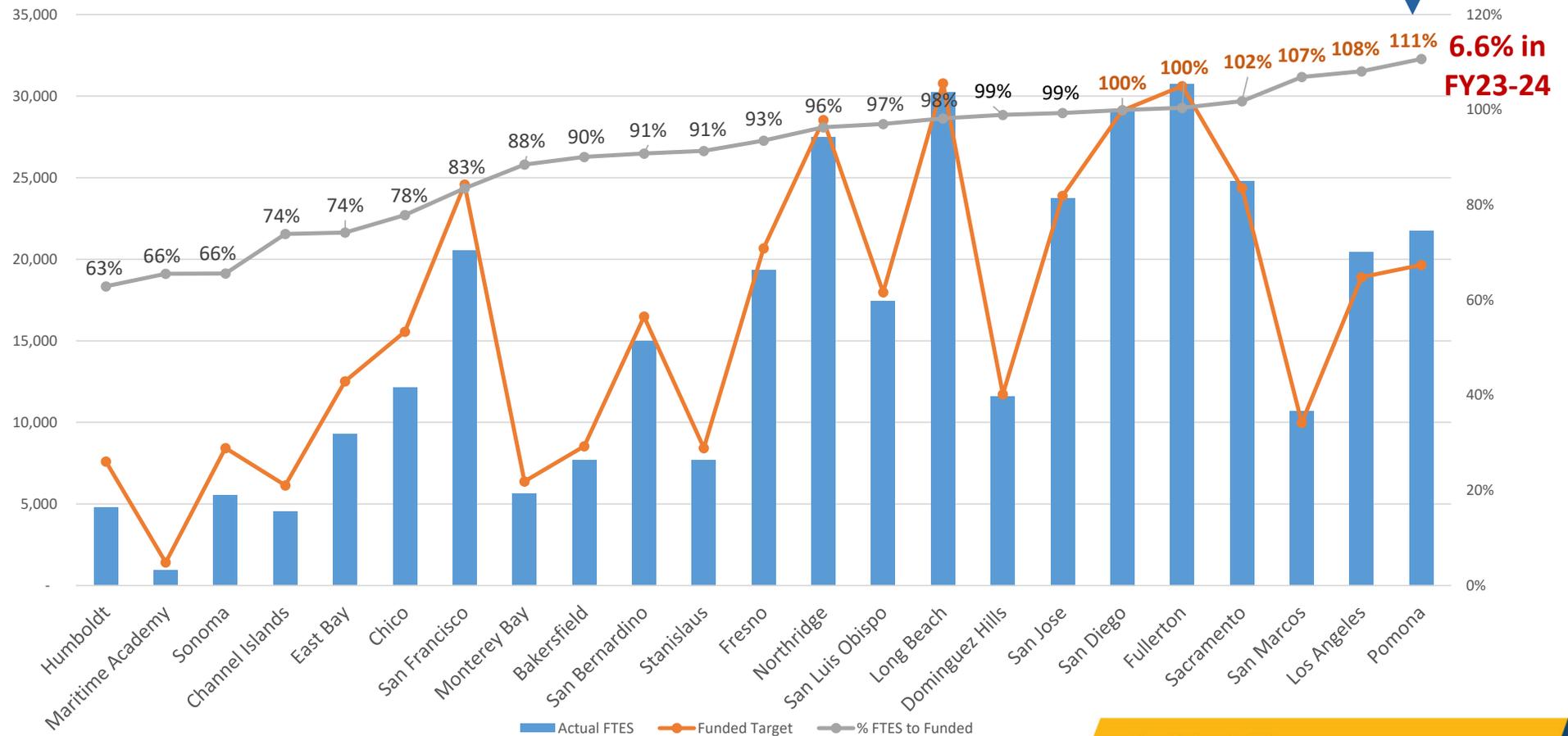
“Most of the other colleges in the region that offer baccalaureate programs in dental hygiene are private universities, where tuition can run more than \$120,000. Tuition for the bachelor’s program at West Los Angeles costs about \$10,000.”

Nathan Evans, deputy vice chancellor of academic and Student affairs for the CSU, said the state must be mindful of not “creating situations that are inefficient or are waste of taxpayer money” by developing programs that resemble those already in place in other systems.

CSU Resident Enrollment

Full-time Equivalent Students (FTES) to Funded Targets, CY22-23

CPP: Over-Enrollment = additional \$18M

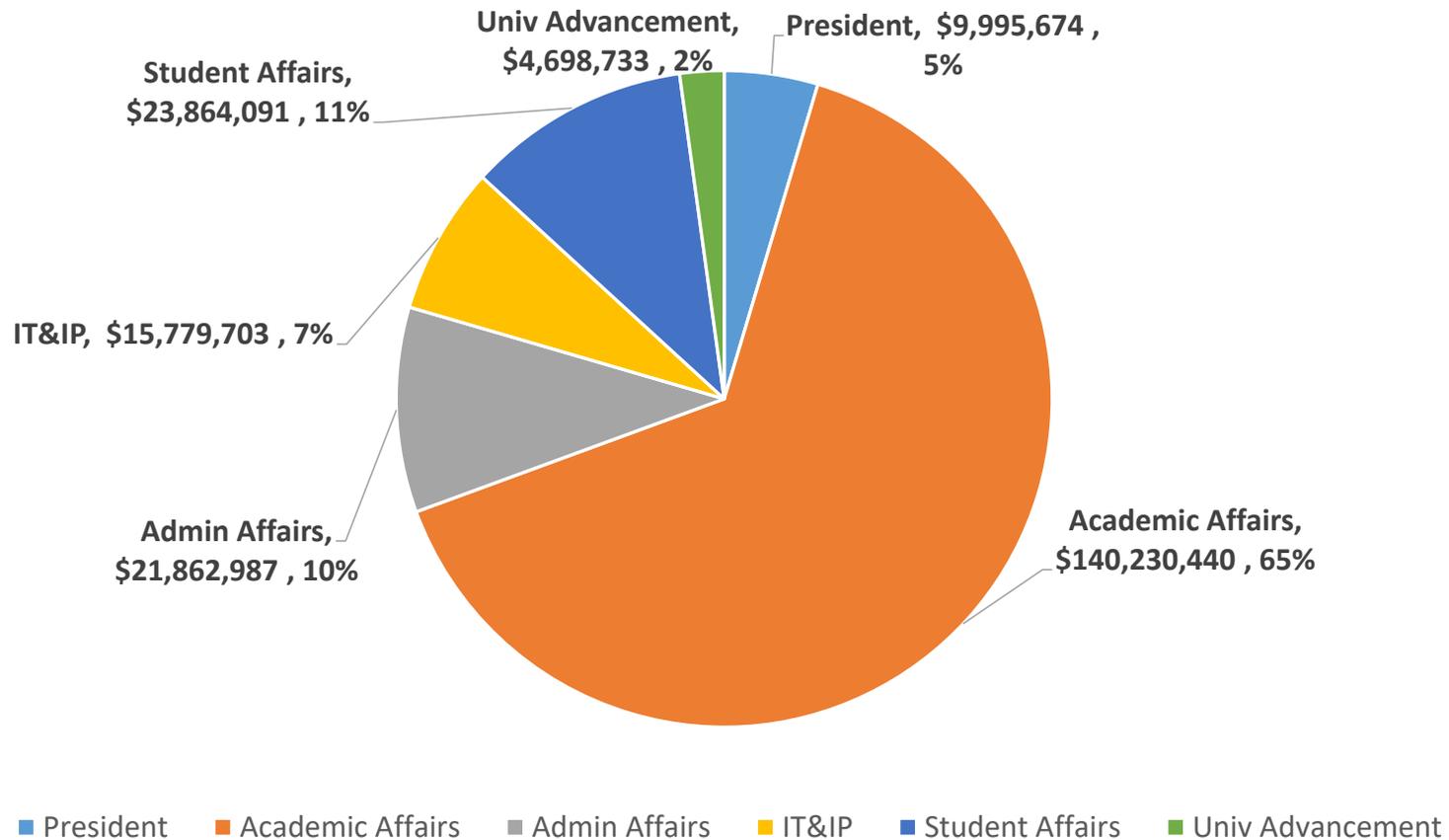


6.6% in FY23-24

Data Source: CO Institutional Research website; based on CY22-23 resident actual achieved vs. funded enrollment
<https://www.calstate.edu/data-center/institutional-research-analyses/Pages/reports-and-analytics.aspx>

II. FY 23-24 CPP Budget Overview

FY 23-24 CPP Base Budget Distribution



Note: Based on allocations made to date; EODA reflected in the President's Office

FY 2023-24 New Base Budget Update

Sources		New Base
State General Fund - 447 FTES	\$	3,701,000
State General Fund - Mand Costs		6,763,000
Net Tuition Decrease		(1,628,496)
Designated Program Funds		2,720,000
Total	\$	11,555,504
Uses		
IRP Pool & Faculty Promotion		2,491,656
Benefits Cost Increases		5,846,000
Required Operational Expenses		917,000
Designated Program Funds		
Student Basic Needs		553,000
GI 2025		2,167,000
Total	\$	11,974,656
Net Increase / (Decrease)	\$	(419,152)

Other pending items:

- Compensation (bargaining unit negotiations still pending for units 3, 6)
- Ombuds and Title IX program costs

* 447 FTES increase is dependent upon campus achieving the increased target

*Retirement \$3,229,000, Health \$2,617,000, Required Operational Costs include \$220,000 for facilities and \$697,000 for risks

FY 2023-24 Base Budget Summary

Sources

State Appropriation	\$ 209,589,000
Tuition Revenue	145,689,767
Fee Revenue	24,134,423
Total	\$ 379,413,190

Uses

Salaries	\$ 197,197,526
Benefits	115,453,028
Operations Expense	20,635,007
Centrally Managed	17,807,509
University Level Financial Aid	40,040,909
Other Committed Resources	1,734,930
Total	\$ 392,868,909

Net Increase / (Decrease) \$ (13,455,719)

Centrally Managed includes utilities, risk management, and space rental.

State Appropriation does not include new 447 FTES for \$3,701,000.

Other pending items with budget impact:

- Compensation impact on the budget is unknown until the CFA and Teamsters negotiations are settled and the CO provides its allocation
- Redistribution of funded FTES
- Tuition increases starting in FY 24-25
- Salary increases and steps in future years

Use one-time fund to “float” as a short-term method to close the gap



23-24 Base Budget Comparison

Sources	2021-22	2022-23	2023-24	Settled	2023-24
	Prior Year	Prior Year	Budget Year	Bargaining*	Adj Budget
State Appropriation	\$ 178,307,000	\$ 200,568,000	\$ 209,589,000		\$ 209,589,000
Tuition Revenue	166,345,925	147,318,263	145,689,767		145,689,767
Fee Revenue	22,316,167	22,004,251	24,134,423		24,134,423
Total	\$ 366,969,092	\$ 369,890,514	\$ 379,413,190	\$ -	\$ 379,413,190
Uses					
Salaries	\$ 177,881,196	\$ 192,187,420	\$ 197,197,526	\$ 2,817,679	\$ 200,015,205
Benefits	93,200,829	97,630,422	115,453,028	1,084,100	116,537,128
Operations Expense	33,838,113	23,791,654	20,635,007		20,635,007
Centrally Managed	10,848,814	12,738,991	17,807,509		17,807,509
University Level Financial Aid	40,481,409	40,172,909	40,040,909		40,040,909
Other Committed Resources			1,734,930		1,734,930
Uncommitted Resources	10,718,731	3,369,118			-
Total	\$ 366,969,092	\$ 369,890,514	\$ 392,868,909	\$ 3,901,779	\$ 396,770,688
Net Increase / (Decrease)	\$ -	\$ -	\$ (13,455,719)	\$ (3,901,779)	\$ (17,357,498)

*Settled BU: UAPD (unit 1), CSUEU (2,5,7,9), APC (unit 4), SUPA (unit 8), and UAW (unit 11)

III. FY 24-25 CSU Budget Overview

Multi-Year Tuition Proposal

- A Board action at this meeting would put in place scheduled tuition rate increases for five years, beginning in fall 2024.
- Per the new tuition policy, an assessment is required on the effects of tuition and the Board will determine any rate changes for 29-30 and beyond.
- The annual rate increase would be 6% per year for all levels of education.
- The first increase would be \$342 for the academic year for full-time California undergraduate students.
- This tuition proposal will sunset at the end of 28-29.

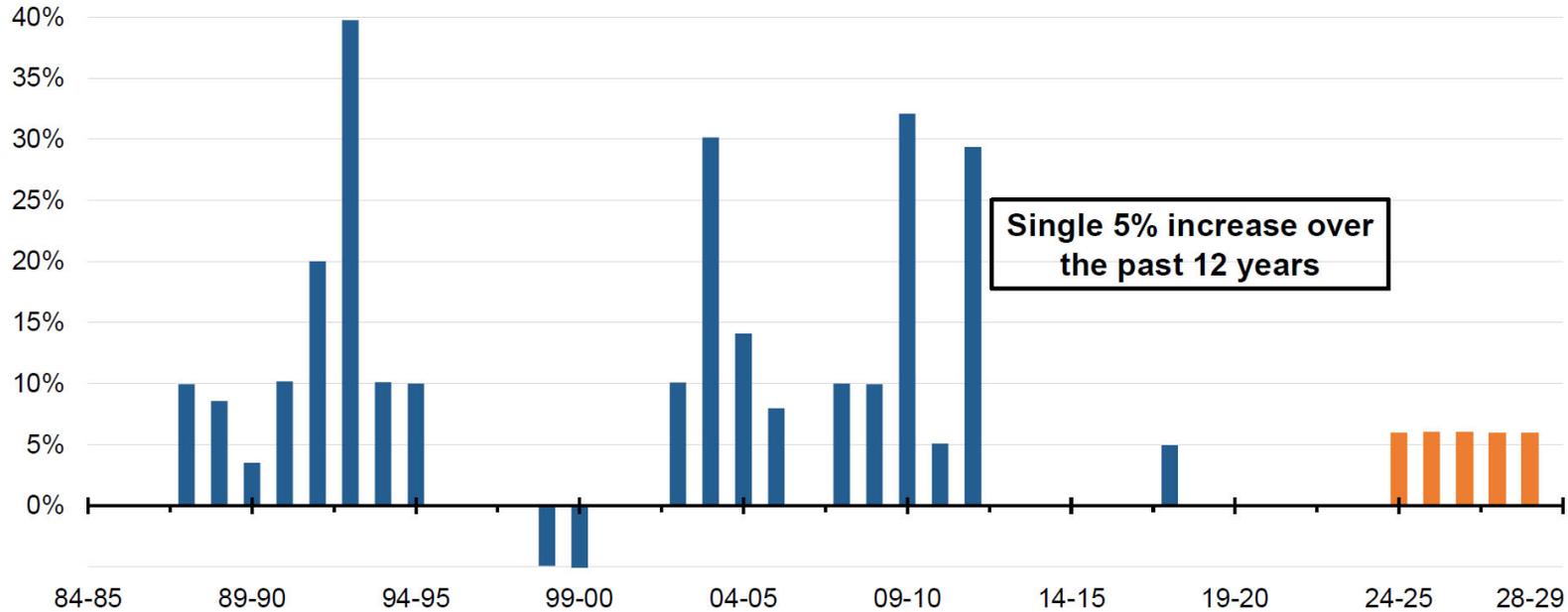
Tuition Policy: Guiding Principles

Affordability: Measured by total cost of attendance & student need; considers factors such as income, cost of living, enrollment status & academic program

Educational Quality: Rely on revenue to deliver a high-quality education & robust student support services

Financial Sustainability: Sufficient state appropriation & tuition revenue to meet our mission & university operations

Tuition Increase Profile Since 84-85



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24-25 Expenditure Plan (millions)

	Base	Increase	
Student Access & Success			
Financial Aid: State University Grant	\$ 701	\$ 58	<p style="color: red; font-weight: bold;">27% of increase</p> 
Student Access & Enrollment		55	
Graduation Initiative	380	30	
Student Basic Needs & Mental Health	95	7	
Institutional Support			
Title IX and DHR Programs	\$ 20	\$ 16	<p style="color: red; font-weight: bold;">19% of increase</p> 
State & Federal NAGPRA Compliance		4	
Required Operational Costs	400	63	
Debt Service on Facilities & Infrastructure	440	25	
CSU Workforce Investments			
Faculty & Staff Compensation Pool	\$ 5,374	\$ 221	<p style="color: red; font-weight: bold;">54% of increase</p> 
Health Premiums	699	78	
Total Ongoing Expenditures	\$ 8,109	\$ 557	

24-25 Revenue Plan (millions)

Revenue Sources

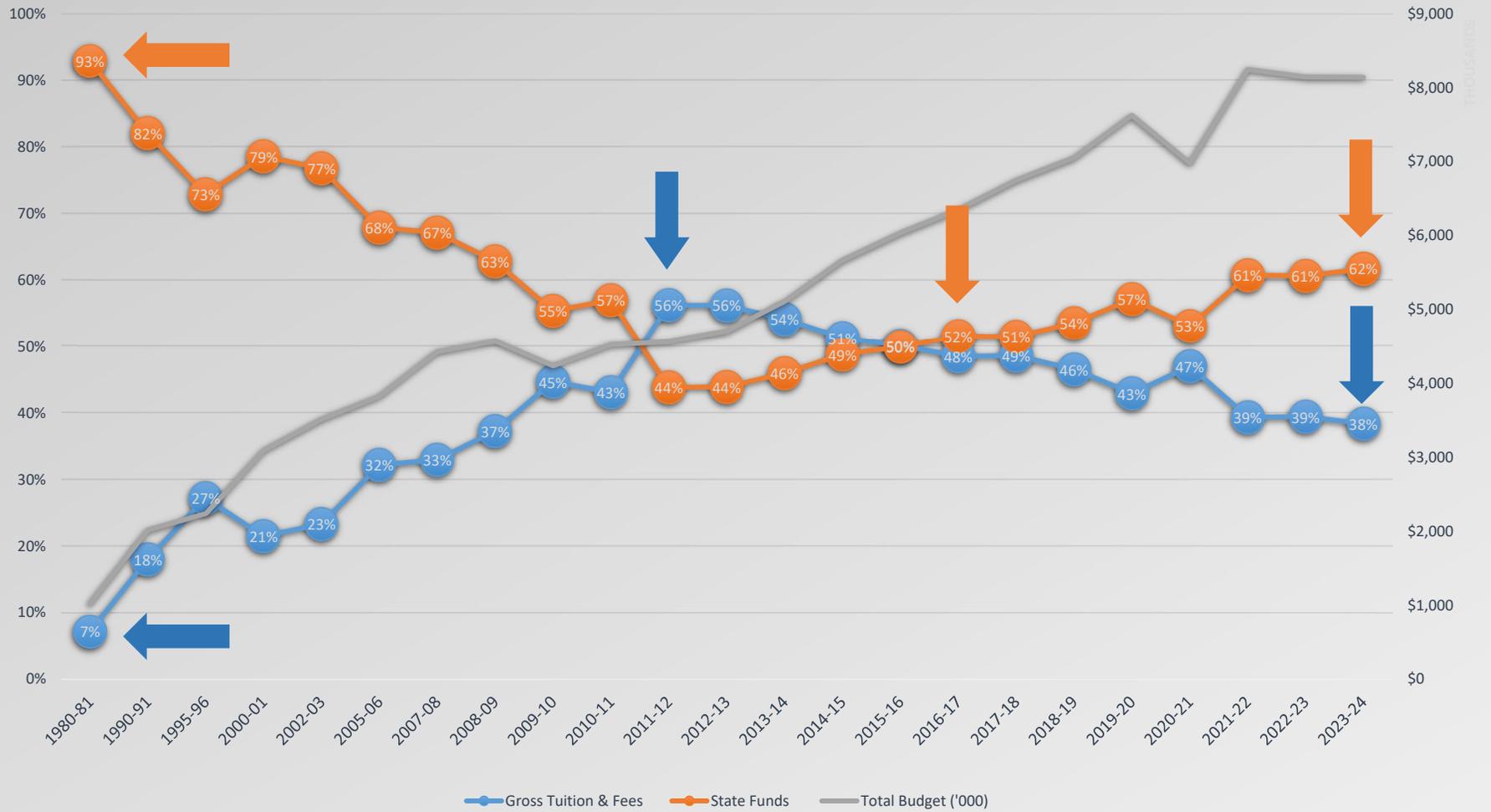
	Base	Increase	
Tuition: Increase	\$ 2,448	\$ 148	} 74% of increase
Tuition: Access & Enrollment		24	
Campus-based Mandatory Fees	672		
General Fund: Compact Commitment	4,989	240	
General Fund: Additional Request		\$ 145	26% of increase
Total Ongoing Revenue Increase	\$ 8,109	\$ 557	

Revenue is Not Enough: Bending the Cost Curve

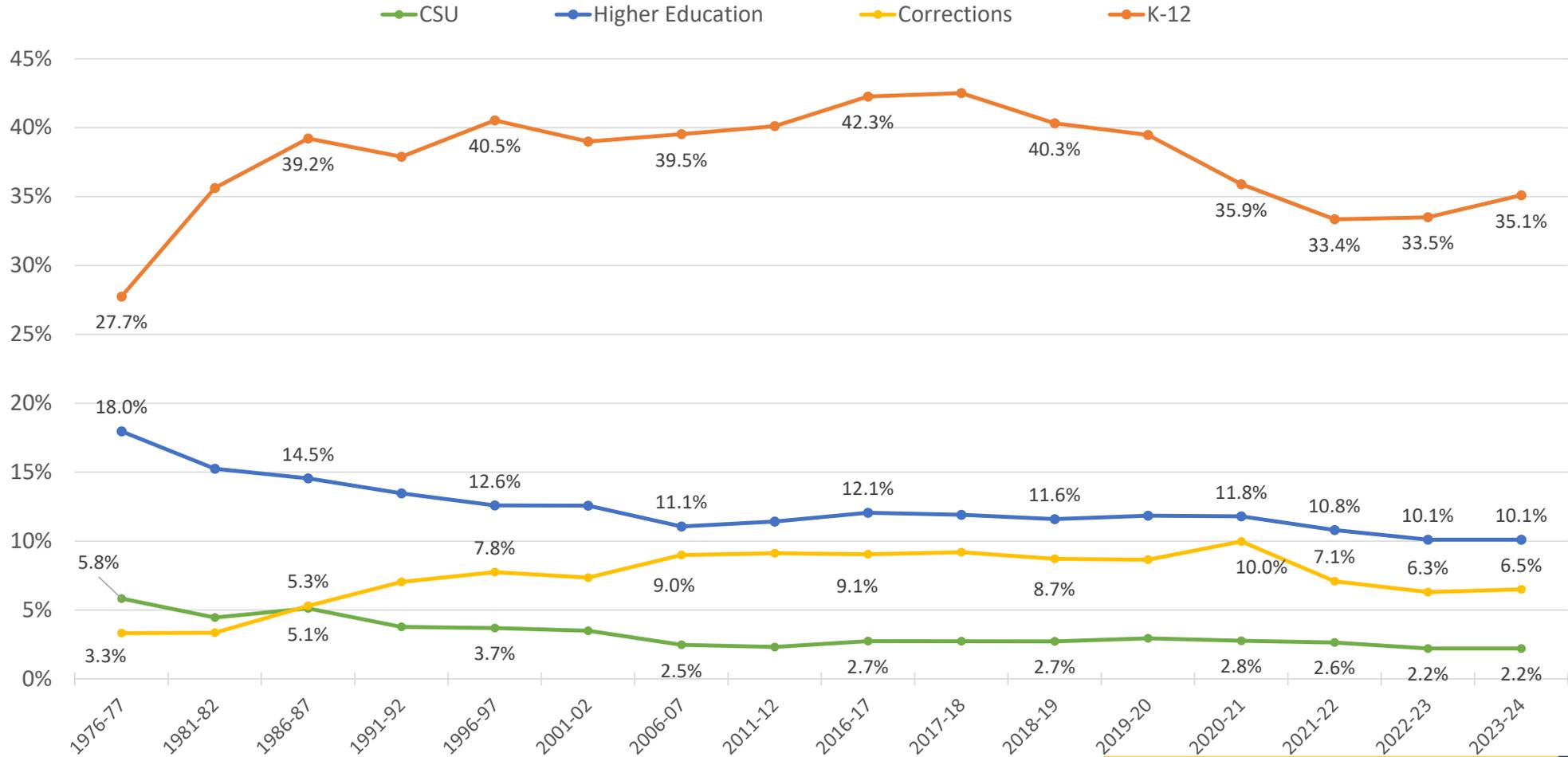
- Narrowing the funding gap
- Potential opportunities for collaborative academic models
- Initiate new review of new multi-university collaborations
- Assess more opportunities to leverage 23 university system

Note: The Sustainable Financial Model Workgroup identified a \$1.5 billion structural deficit (funding gap).

Change in Share of Funding for CSU over 40 Years



Allocations as % of Total State General Fund





Questions?