

The logo graphic for Cal Poly Pomona is a large, stylized arrow pointing to the right. It is composed of several overlapping triangular shapes in shades of blue, green, and yellow. The arrow is positioned on the left side of the slide, pointing towards the right.

CalPoly
Pomona

Academic Senate Budget Committee Discussion

CPP Annual Budget
FY 2022-23

November 30, 2022



Presenters

Soraya M. Coley, Ph.D.
President

Ysabel Trinidad
Vice President of Administration and Finance

Michelle Cardona
Interim Associate Vice President for Financial Services

Carol Lee
Assistant Vice President of Budget Planning & Analysis

Topics

1. Challenges: Demographics, Increasing Competition and the Value Proposition of Higher Education
2. The Budget Current Environment:
 - FY 22-23 CSU System and Cal Poly Pomona
3. What Should CPP Anticipate Looking Ahead: 2023-24
4. Questions for Reflection

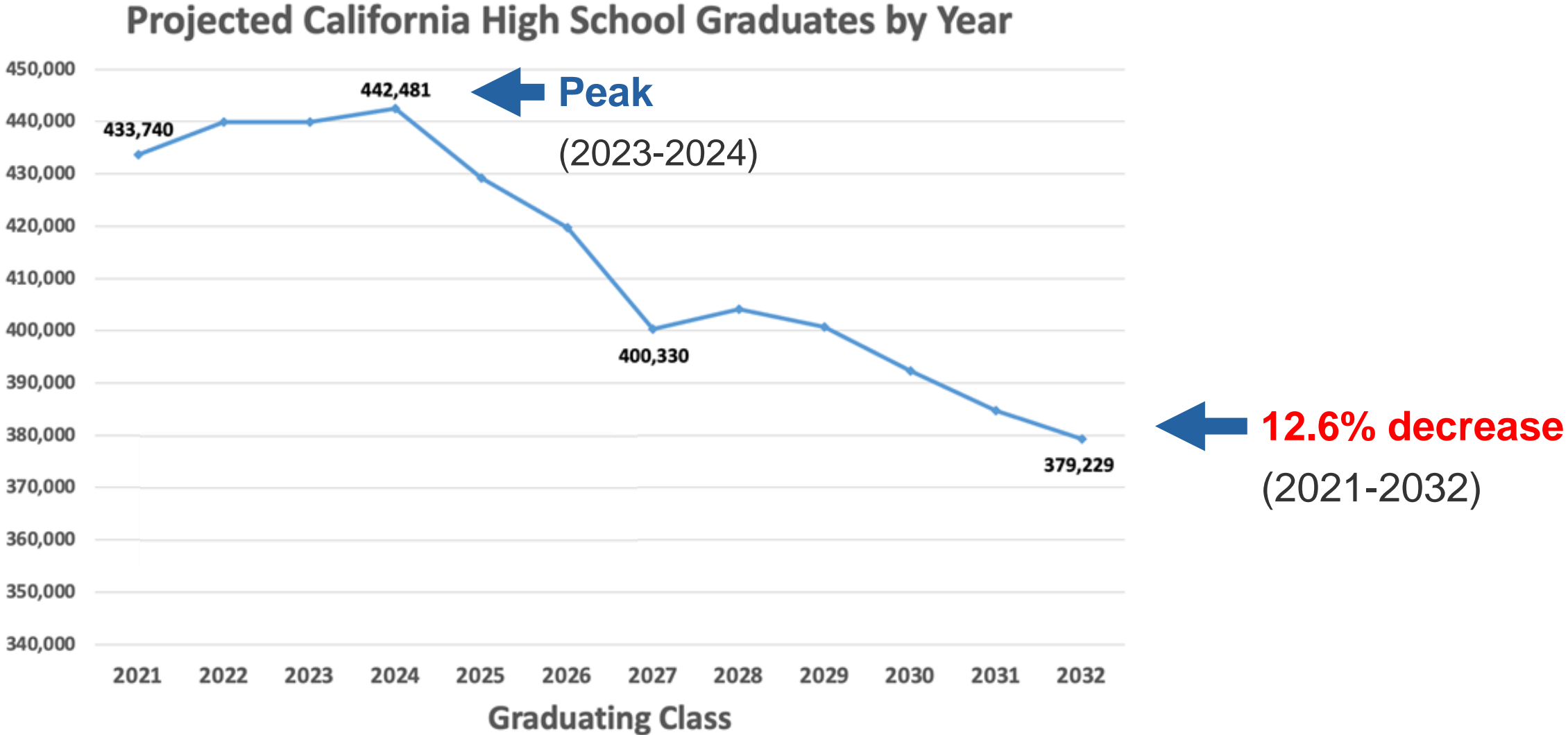
National Enrollment Trends

Postsecondary Enrollment is Declining Nationwide



- 1. Low Birth Rates = Less High School Graduates, More Competition for Them**
 - Decreases in graduating classes in the East and Midwest have led to more interest there in recruiting students from California
- 2. Decrease in international students**
- 3. COVID-19 impact**
 - Two-year decline of 5.1% or 938,000 since Fall 2019
 - Undergraduates fell by 3.1% over last year
 - Public institutions, especially community colleges, suffered the brunt of enrollment declines
- 4. Focus on traditional college-age students means non-traditional students not fully served**
 - 36 million Americans have some post-secondary education, but no degree and are not enrolled

CA High School Graduates Projected to Decline



Source: California Department of Finance
<https://dof.ca.gov/forecasting/demographics/public-k-12-graded-enrollment/>

Challenges Increasing Competition



California Community Colleges (CCC)

- Two-year free college
- Offering bachelor's degrees



University of California (UC)

- Commitment to increase transfers
- Increasing California residents – 20,000 by 2030
- Removal of test scores increased first-time freshman by 13%



Out of State College & Universities Plus Online Institutions

- Heavily recruiting California students



California State University (CSU)

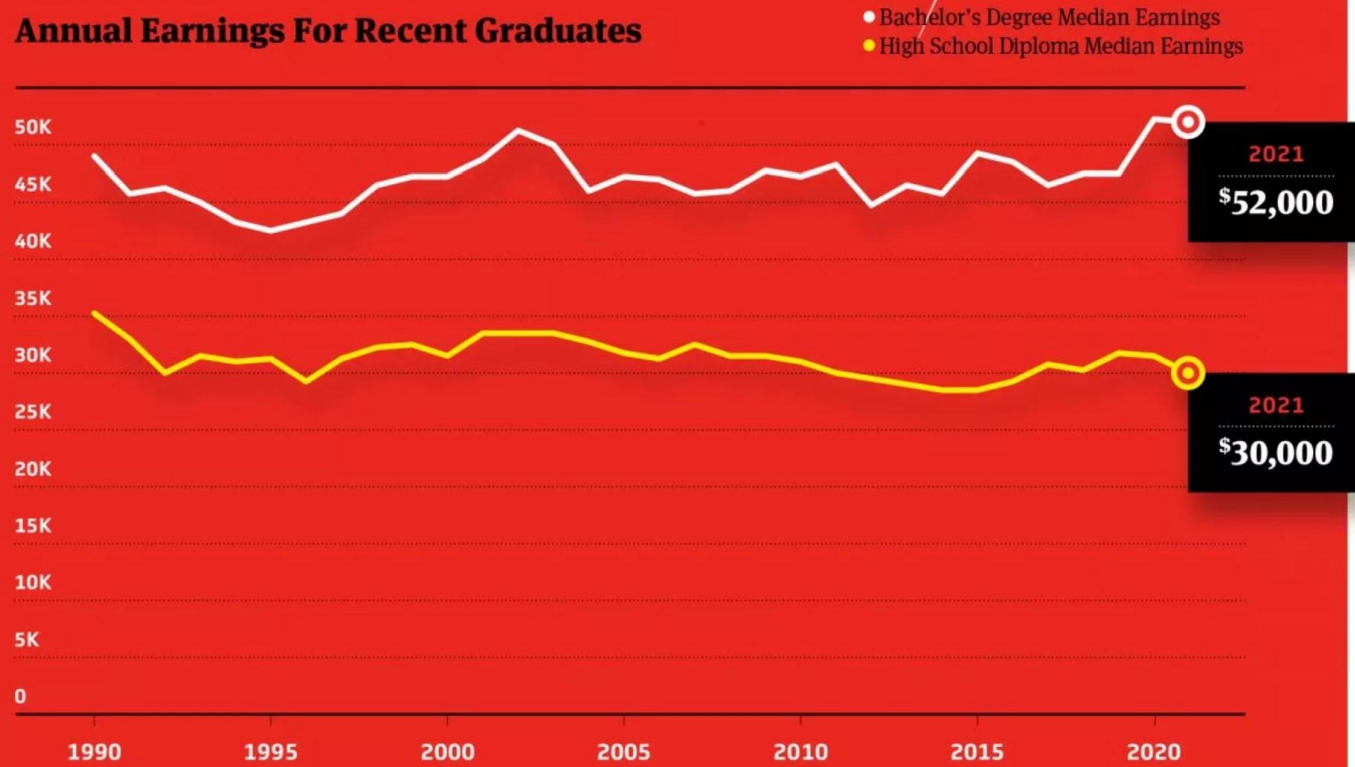
- Recruiting same students



A BA STILL PAYS

THE GAP IN WAGES EARNED BY HIGH SCHOOL AND COLLEGE GRADUATES HAS BEEN GROWING STEADILY OVER THE COURSE OF THE PANDEMIC AND HAS, IN FACT, NEVER BEEN LARGER THAN IT IS NOW.

Annual Earnings For Recent Graduates

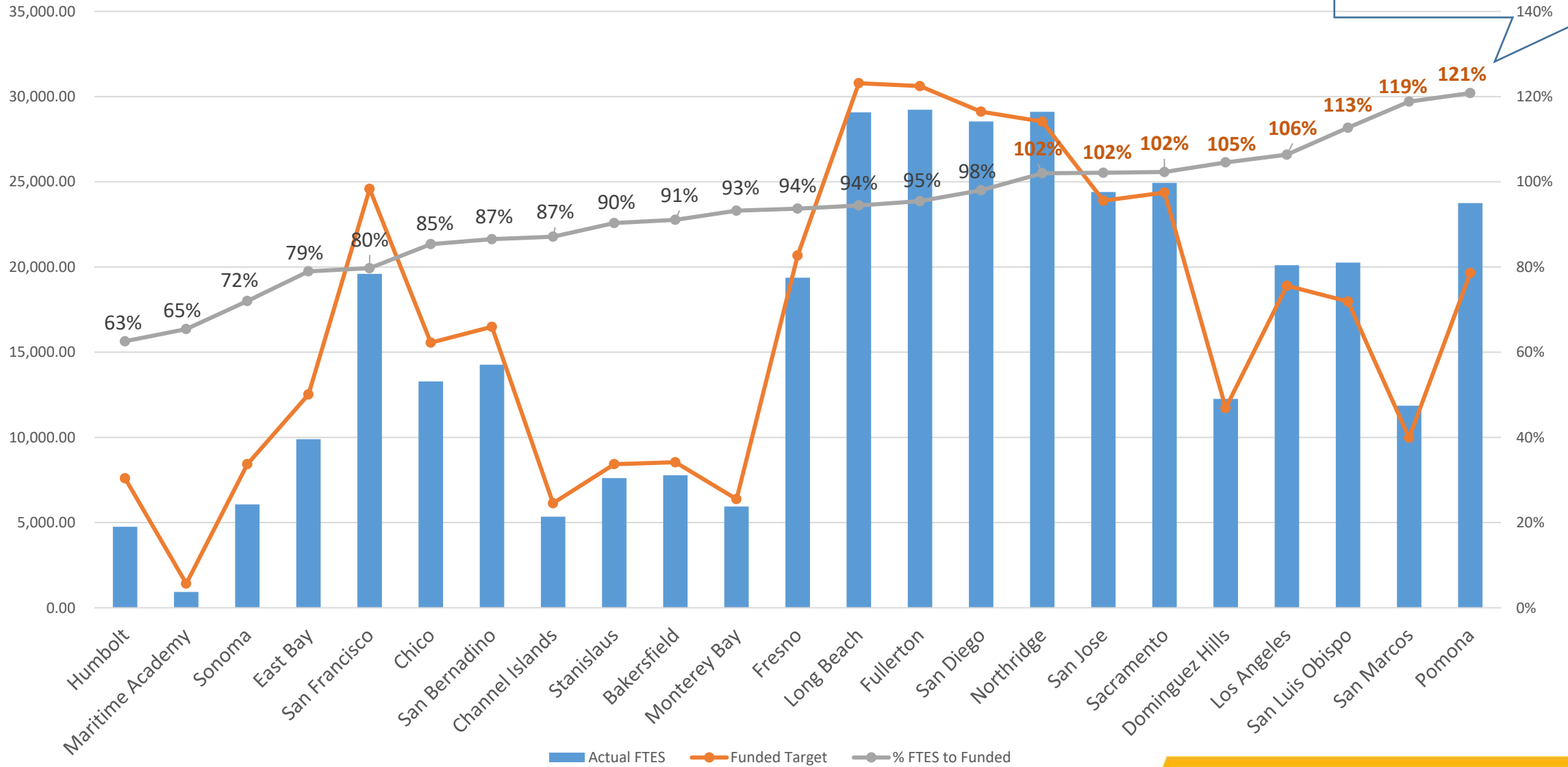


Largest Wage Gap Ever
College Degree vs. None

CSU Enrollment

Full-time Equivalent Students (FTES) to Funded Targets, Fall 2021

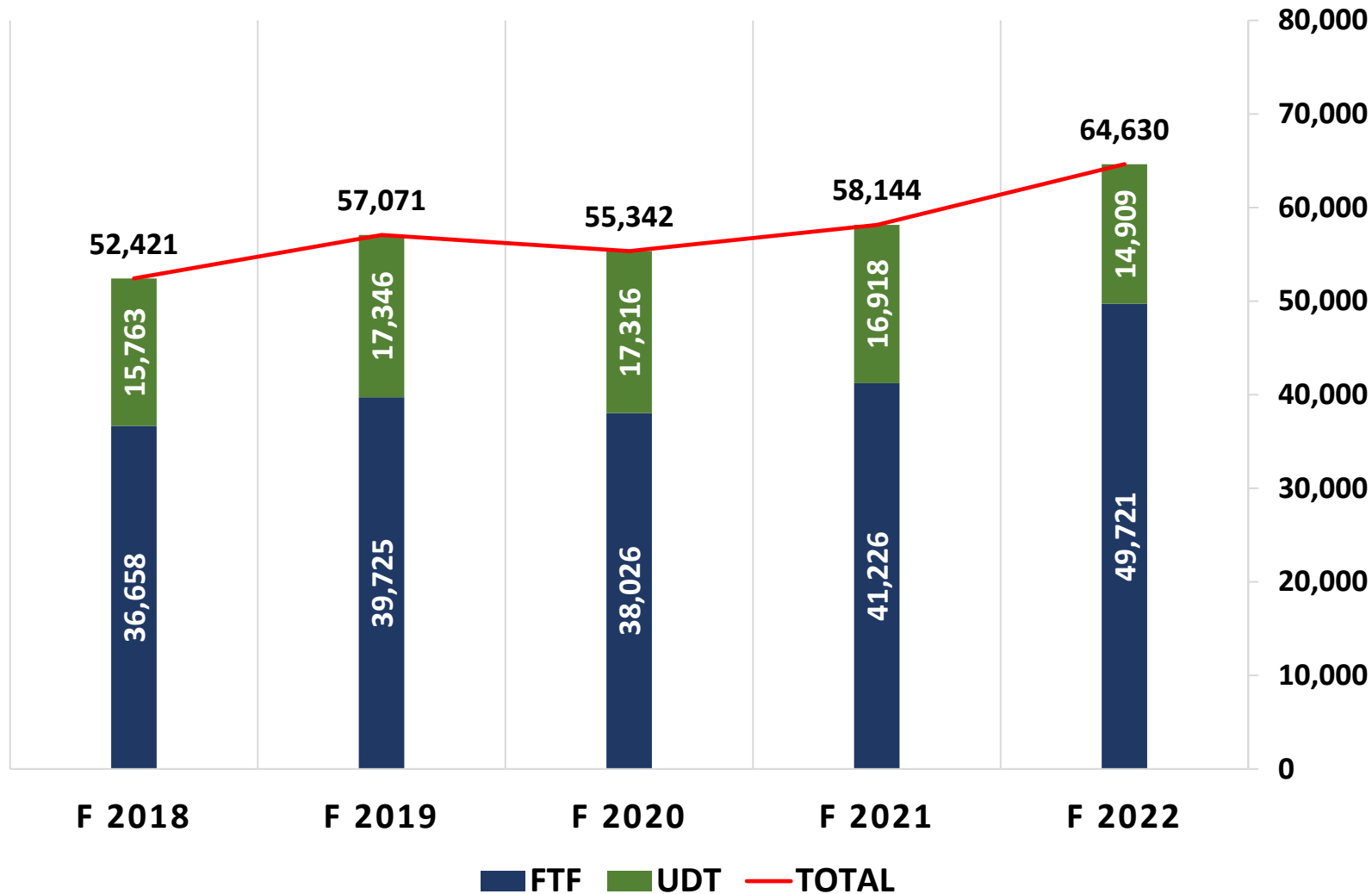
CPP: Highest Over-Enrollment = additional \$25M



Data Source: CO Institutional Research website; Fall 2022 enrollment is not yet available
<https://www.calstate.edu/data-center/institutional-research-analyses/Pages/reports-and-analytics.aspx>

CPP Undergraduate Admissions Applications

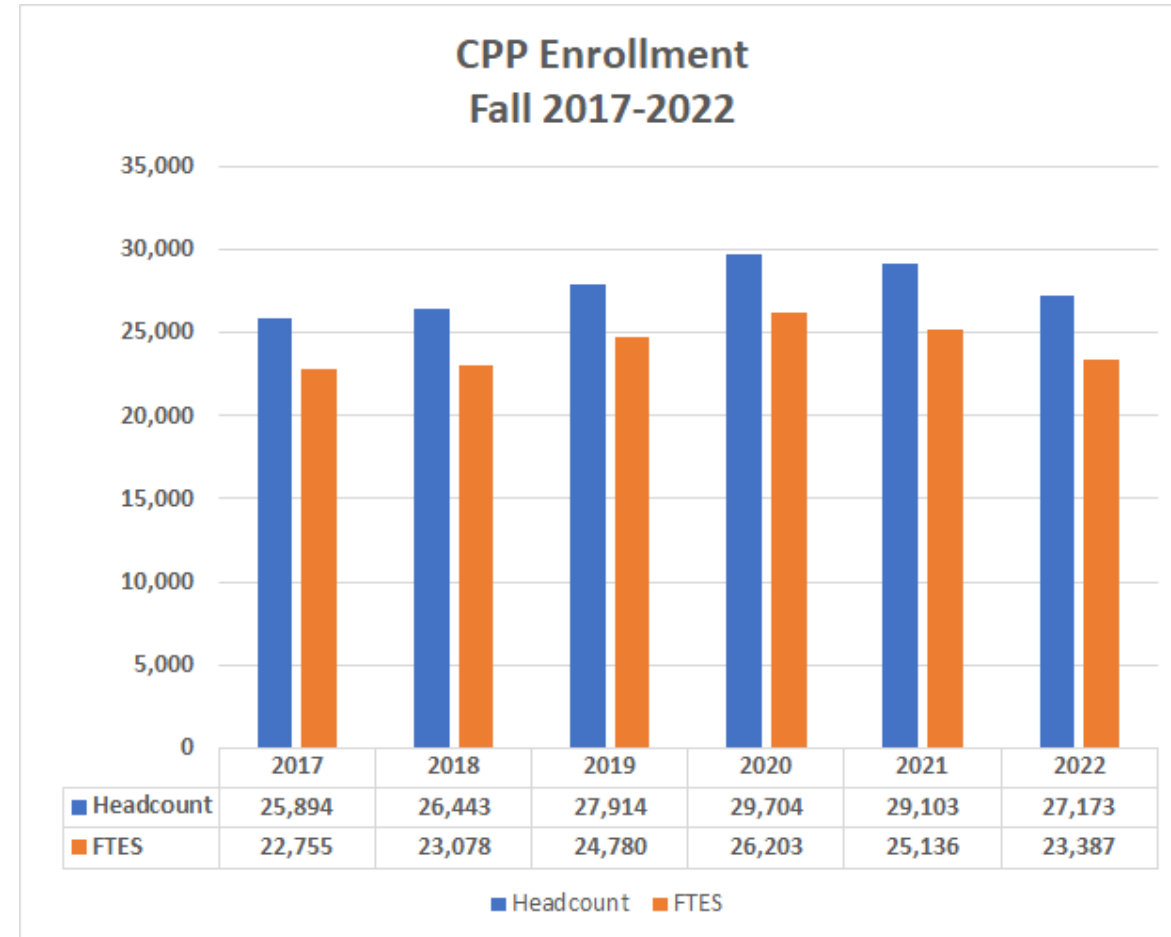
2018 to 2022



- Increasing applications
- New record high: Fall '22
- Shifting demand: transfers applications decreasing, Freshmen applications increasing

CPP Enrollment Trends

- CPP experienced years of **steady enrollment growth** just before and after semester conversion.
- Each year, we receive a **record number of applications**:
 - 64,500+ undergraduate applications in fall 2022.
- By fall 2020, our campus was **25% over** its CSU FTES funded target; this is **not sustainable**.
- Over the last two years, we have **intentionally reduced our enrollment to align with CO direction**; this year we budgeted for 10.5% over our CSU FTES funded target of 19,653, but now expect to be approximately 9% over.
- We have continued to experience **slight declines in transfer applications**.
 - 14% decline in UDT applications over the last 4 years.
- Average Unit Load (AUL) has also slightly declined since the pandemic.
 - Fall 2022: 12.81 AUL vs. Fall 2019: 13.24 AUL



CSU

Fiscal Year (FY) 2022-23: New Base Ongoing Funds

	Trustees Request	(in millions) Final Budget	% Received of Trustee Request
Sources			
State General Fund	\$673.0	\$365.4	54%
Tuition from Resident Enrollment Growth	\$42.5	\$42.5	100%
Total Recurring Increases	\$715.5	\$407.9	57%
Uses			
Graduation Initiative 2025	\$75.0	\$35.0	47%
Strategic Resident Enrollment Growth	\$129.8	\$123.5	95%
Student Basic Needs	\$20.0	\$10.0	50%
Unallocated Base Increase	\$490.7	\$211.1	43%
Foster Youth Student Supports	-	\$12.0	
Other Specific Investments	-	\$16.3	
Total Recurring Increases	\$715.5	\$407.9	57%

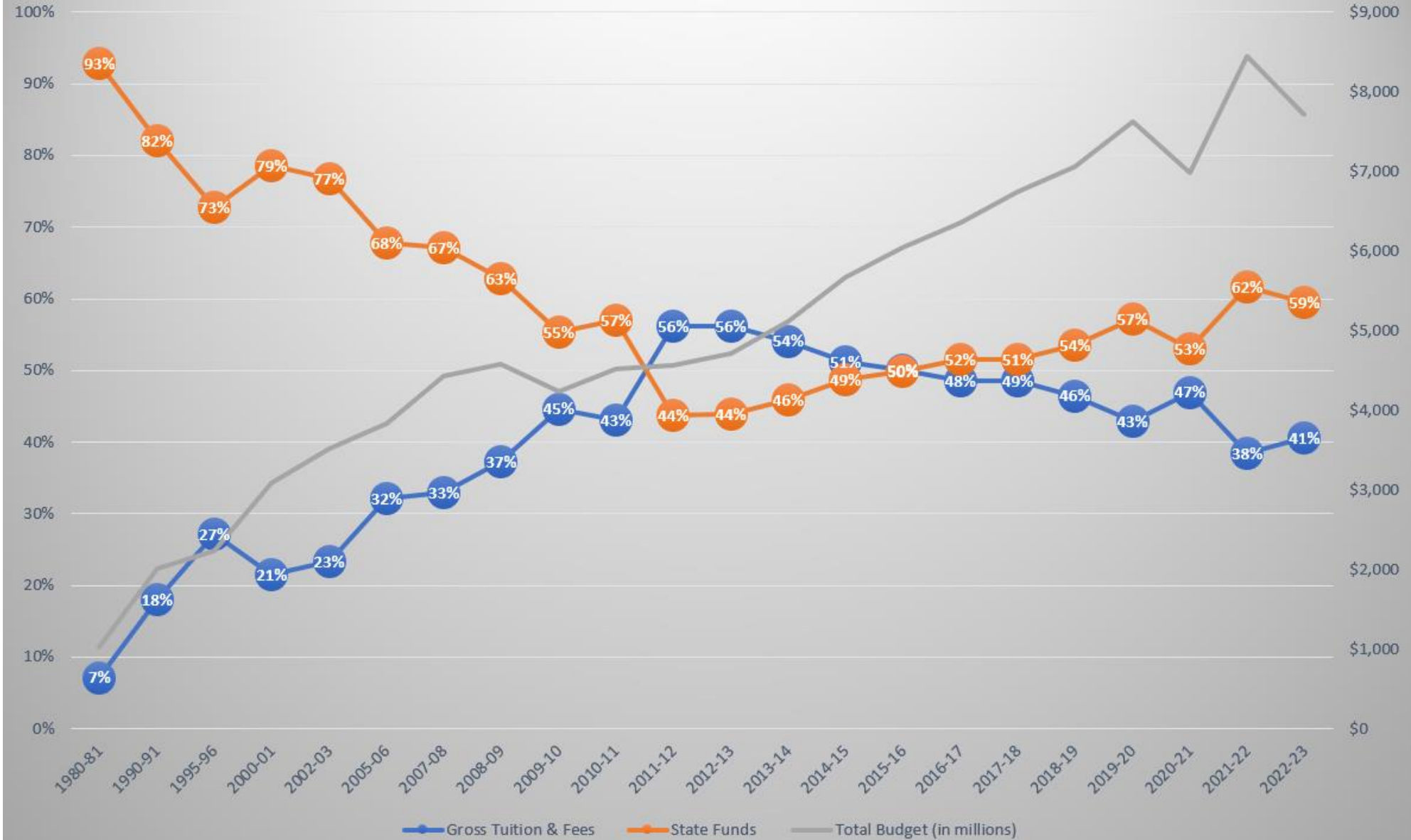
CSU received **57%** of the new base funding requested by the Trustees

CSU

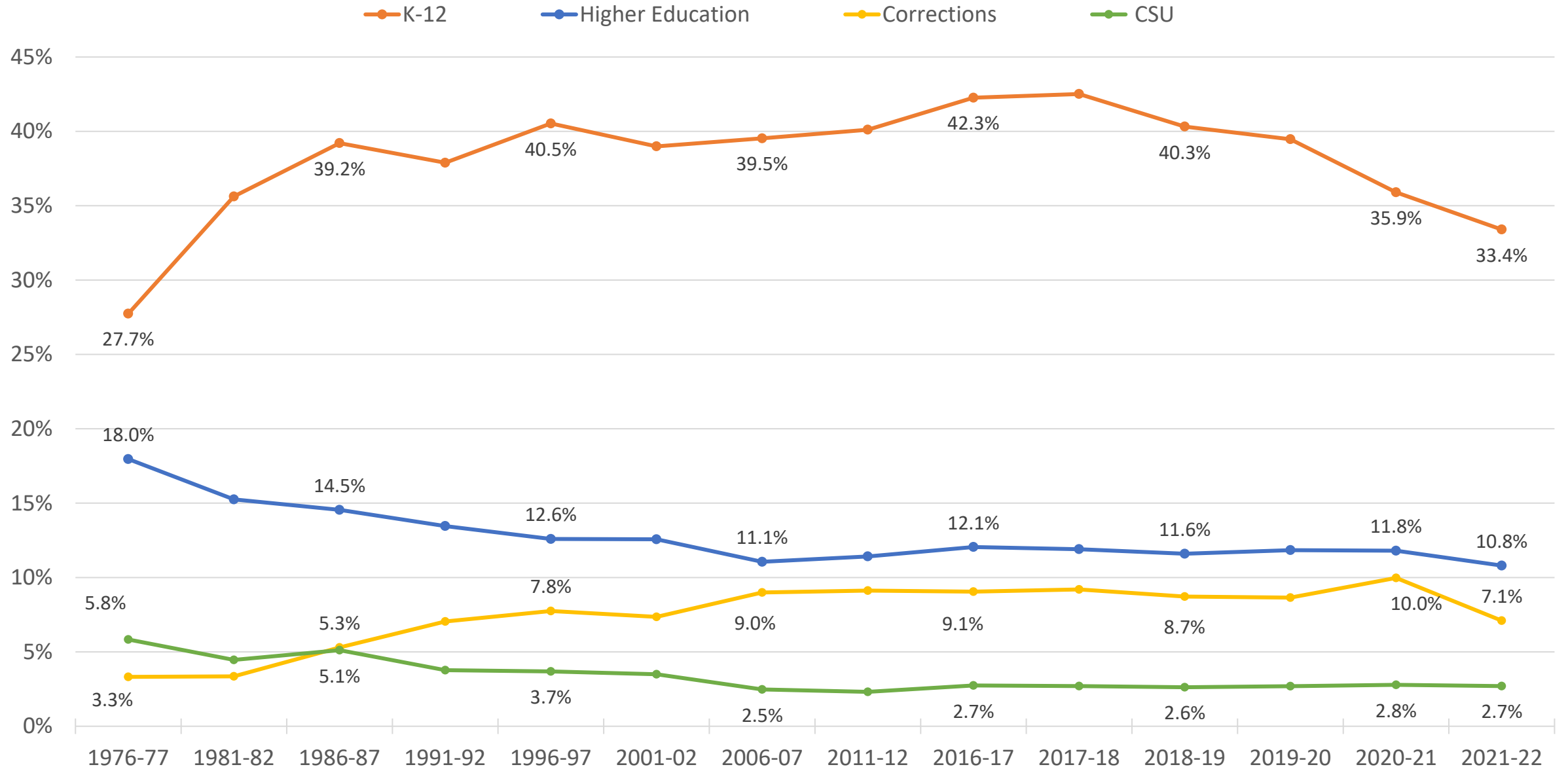
FY 2022-23: New One-Time Funds for Maintenance and Infrastructure

		<i>(in millions)</i>
	Trustees Request	Final Budget
Uses		
Deferred Maintenance & Infrastructure	\$1,000.0	\$125.0
Other Facility & Infrastructure Investments	-	\$404.8
Campus Student Housing Projects	-	\$497.0
Other Systemwide Investments	-	\$13.0
Other Campus-Specific Investments	-	\$42.2
Total One-Time Increases	\$1,000.0	\$1,082.0

Change in Share of Funding for CSU over 40 Years



Allocations as a % of Total State General Fund (recurring)



CPP

FY 2022-23: Revenues and Expenditures

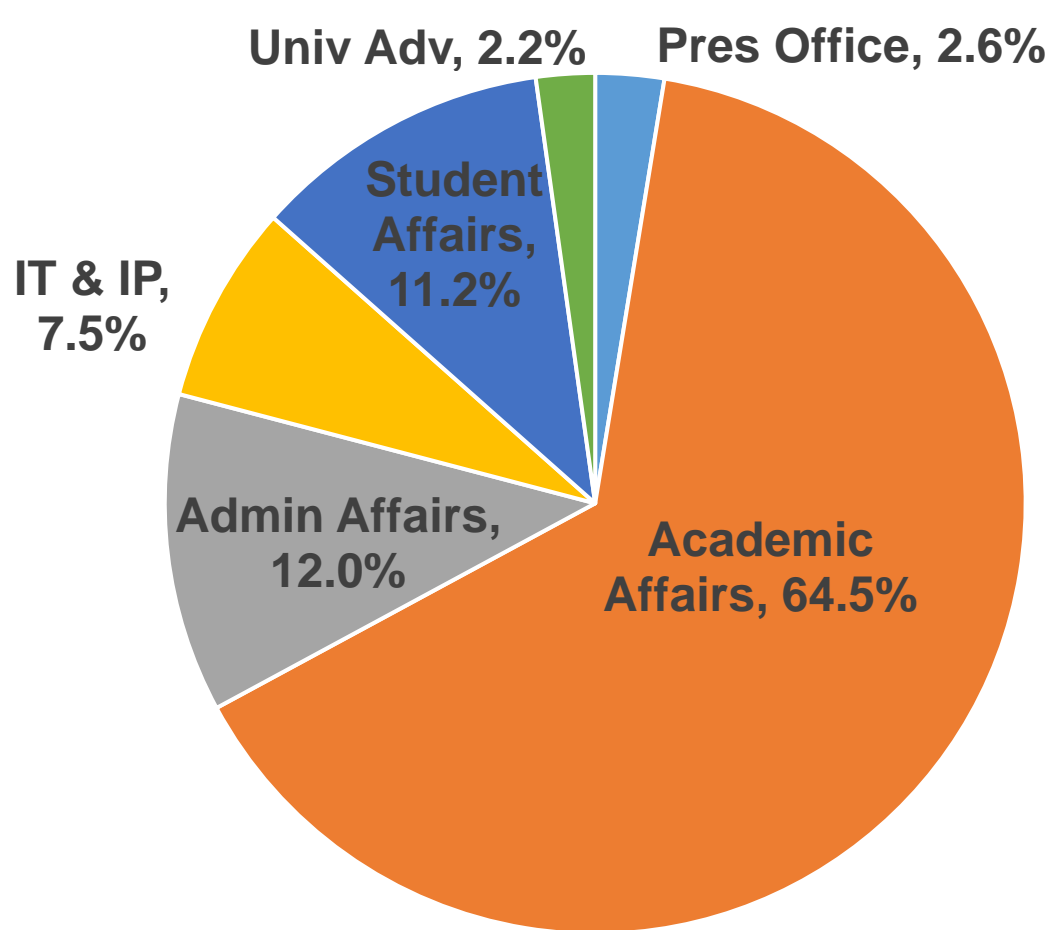
REVENUES	
Total State Appropriation	\$ 135,893,072
Total Tuition	\$ 147,318,263
Total Designated (GI 2025/Other)	\$ 64,674,928
Total Student Fees	\$ 22,004,251
TOTAL REVENUE	\$369,890,514
EXPENDITURES	
Total Personnel Costs	\$ 190,026,881
Total Operations Costs	24,019,047
Total Centrally Managed Costs	\$ 110,578,198
Total State University Grant (SUG)	40,221,409
Total University Level Designated Resources	1,481,533
TOTAL EXPENDITURES	\$ 366,327,068
TOTAL GENERAL FUND SURPLUS/DEFICIT	3,563,446

Highlights

- Tuition **decreased by \$17M** from drop in enrollment
- CPP subsidized compensation program with campus funds for a total of \$3M
- **Total negative impact** to the General Fund is **\$20M**
- Base contingency and reserve funds identified to cover shortfall
- CPP has depleted its 2021-22 base contingency funds

CPP

FY 2022-23: Distribution Base Budget and Designated One-Time Funds



DESIGNATED ONE-TIME	FY 22-23
Graduation Initiative 2025	\$2,167,000
Student Basic Needs	\$553,000
Total Revenue	\$2,720,000
College of Ag Farm Equipment & Facilities*	\$18,750,000
Cal-Bridge Program*	\$2,500,000
Total Revenue	\$21,250,000

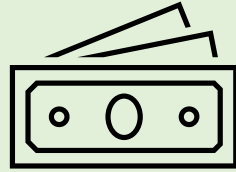
*Must submit project proposal

Note: Adjusted for 2021-22 compensation allocation

CPP FY 2022-23 Budget: Key Takeaways



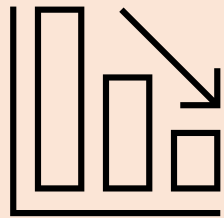
Budget is balanced with no structural deficit



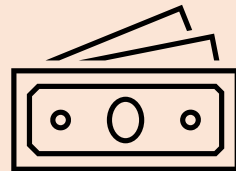
425 new funded FTES, \$3.8M



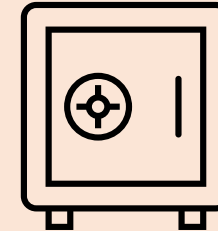
Maintains 3-mo. reserve require. for econ. uncertainty



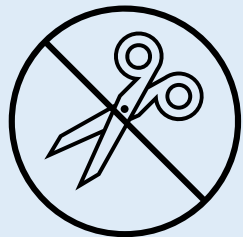
Enrollment decreased by (2,388) FTES; \$17M



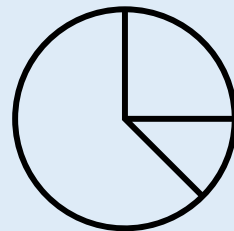
Self-funded compensation costs, \$3M



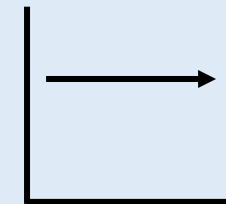
Only one-time funds remain for contingencies



No divisional budget reductions



54% State
46% Tuition & Fees



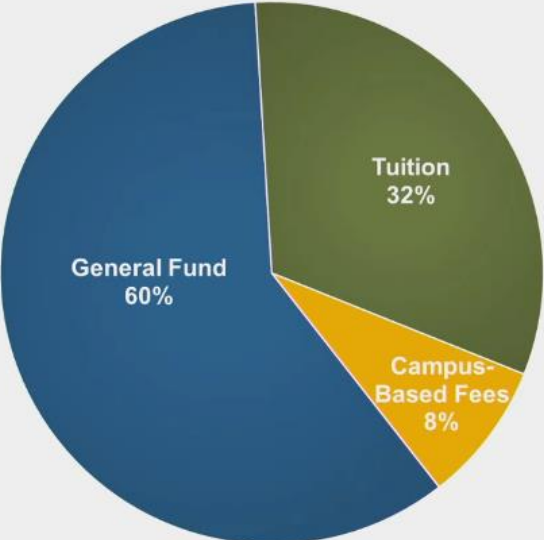
Maintain 10.5% over-enrollment for 2023-24

Approval of the 2023-24 Operating Budget Request

Committee on Finance – Agenda Item 3
September 13-14, 2022



Operating Fund Budget - \$7.7 Billion

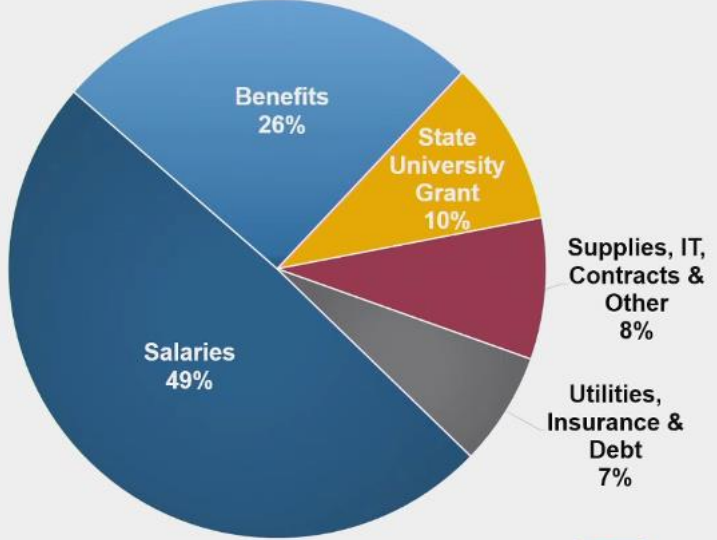


2022-23 Budget

5

REVENUES

Operating Expenses by Category - \$7.7 Billion



2022-23 Budget

6

EXPENDITURES

Budget Priorities Reflect Our Core Mission & Values

- Expand the work of **Graduation Initiative 2025** to support the CSU's broader mission to advance educational equity so that all students have the equal opportunity to earn the lifelong, life-transforming benefits of a CSU degree.
- Provide competitive **salaries and benefits** to our faculty and staff who support, inspire and uplift our diverse and talented students.
- Ensure safe, modern and sustainable **facilities** where teaching, learning and student well-being can thrive.
- Grow **enrollment** to provide access for more California students and to meet the state's growing need for a diverse, educated workforce.

Planning for the 2023-24 Operating Budget

“At the time of our May outlook, we cautioned that economic indicators were suggesting a **slowdown** could be on the horizon. More recent economic data has continued to point in this direction. Consistent with this, our updated estimates suggest collections from the state’s “big three” taxes—personal income, sales, and corporation taxes—are more likely than not to **fall below** the Budget Act assumption of \$210 billion. Much of the fiscal year, however, lies ahead of us and there remains **significant uncertainty** about how much the state ultimately will collect. Further, we caution that the implications of unanticipated changes in revenues for the state's budget are not straightforward....We expect the **Legislature** very likely will face additional, **significant constraints** this year due to the requirements of the State Appropriations Limit.”

From the Legislative Analyst’s Office on California Economy & Taxes, September 14, 2022

<https://lao.ca.gov/LAOEconTax/Article/Detail/744>

Why Should a Student Come to CPP?

Academic Excellence

- No. 2 among the “Top Public Schools in the West” (U.S. News 2023 Best Colleges Ranking, based on 15 measures of academic quality).

Value

- No. 28 nationally and among the Top 5 in the California State University in **Money Magazine**’s list of “[Best Colleges in America, Ranked by Value 2022](#),” based on quality, affordability and alumni outcomes.
- **PayScale** names Cal Poly Pomona one of the nation’s “[Best Value Colleges](#)” in its 2018 College ROI Report. The university is ranked No. 96 nationally based on in-state tuition, moving up from No. 124 in 2017.
- **Forbes**’ third annual [America's Best Value College](#) list ranks Cal Poly Pomona among the best in the nation for a student's return on investment. The university was No. 59 among the 300 schools that made the list.

Impact and Return on Investment

- Recognized as the highest-ranking polytechnic university in the nation on the “[2021 Social Mobility Index](#)” for propelling low-income students to financial success by graduating them into good paying careers.



<https://www.cpp.edu/aboutcpp/why-cpp/well-ranked.shtml>

Questions for Reflection & Continued Conversation

1. How do we better communicate the distinguishing features of a CPP degree and the CPP experience to continue attracting students?
 - How are our values expressed consistently across the university and externally?
 - How can we more actively foster inclusion and a sense of belonging?
 - How do we offer and deliver distinctive experiences that support students to successfully transition to careers upon graduation?
2. How do we express our compelling “value proposition” in a visible and tangible way to influence family and student decision-making to apply and enroll as first-time freshmen and as transfers?
3. How do we continue to attract, retain and support a diverse group of faculty and staff as invaluable members of our campus community?
4. What are the partnerships that will be essential to continuing to provide an impactful quality education and enhance the value proposition that students and their families consider in choosing to enroll at CPP?

Thank you
Questions?