CSU Support Budget:
Addressing the Challenges and Choices

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Consultative Discussions

- Met with stakeholders over several months
  - Meetings with campus Chief Financial Officers, Provosts, VP Student Affairs, and faculty
  - Two Systemwide Webcasts (May, June)
  - Approximately 1,200 students, faculty, staff and administrators participated
Consultative Discussions

- Specific plans include ideas gathered from the broad range of constituent groups
- Web site established with material for review
- Mailbox set up to receive questions; posted as Frequently Asked Questions (FAQ) matrix to web site
Revenue Gap
(dollars in millions)
Unmet Demand

Undergraduate Applications

![Graph showing Undergraduate Applications from Fall 2008 to Fall 2011]

Eligible Undergraduate Applicants

* Figures are based on admission to at least one CSU campus
Response to Cuts

- Negotiated 2009-10 furloughs
- Managed enrollment down (limiting access)
- Decreased total employees by over 3,000
- Deferred maintenance on classrooms, labs and other facilities
- Restricted travel, equipment purchases
- Eliminated state-support summer at most campuses
  - Students pay “full-freight” cost of those courses
- Increased tuition fees
Efficiency Efforts

- Exploring synergies and shared services
  - Eliminating unnecessary duplication
  - Combining common efforts across campuses
  - Leveraging the size of the university
- Reviewing academic and athletic programs
  - Eliminating low demand programs in accordance with existing policy – a systematic and consultative process
  - Combining duplicative programs
Structural Budget Deficit

- Tuition, efficiencies and cost reductions **do not** fill the massive budget hole created by state cuts

**Over $130 million structural deficit remains**

- Ongoing solutions needed to close the deficit, even if the tax measure passes
2012-13 Budget Implications

With Tax Approval

- $130 M
- $47 M
- $132 M

Without Tax Approval

- $130 M
- $47 M
- $250 M

$309 million loss

$427 million loss
Health Plan Premium Costs

CSU pays 95% of costs

Other CA agencies pay 80% of costs or less

$356 Million

$121 Million

$392 Million

$271 million increase, more than 220%

2001-02
2011-12
2013-14
Alternative Trigger Strategies

Two options, one goal:

Protect Quality and Access

• Shared components of both plans:
  • Reducing employee salary and benefit costs
  • Reducing faculty assigned/release time
  • Improving access to courses
  • Increasing nonresident tuition
  • Using one-time funds, including Continuing Ed
## Preserving Access – Trigger on Trigger

<table>
<thead>
<tr>
<th>Item</th>
<th>2012-13</th>
<th>2013-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>$150/semester tuition increase</td>
<td>58</td>
<td>116</td>
</tr>
<tr>
<td>2.5% reduction in payroll and benefits</td>
<td>35</td>
<td>70</td>
</tr>
<tr>
<td>Reduce faculty assigned/release time</td>
<td>10</td>
<td>16</td>
</tr>
<tr>
<td>“Third tier” on tuition structure</td>
<td>0</td>
<td>35</td>
</tr>
<tr>
<td>Non-resident tuition increase</td>
<td>0</td>
<td>13</td>
</tr>
<tr>
<td>One-time balance from Continuing Ed</td>
<td>75</td>
<td>0</td>
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<tr>
<td>Other one-time resources</td>
<td>72</td>
<td>0</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$250</strong></td>
<td><strong>$250</strong></td>
</tr>
</tbody>
</table>

Dollars in millions
## Preserving Price – No Tuition Trigger

<table>
<thead>
<tr>
<th>Measure</th>
<th>2012-13</th>
<th>2013-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduce enrollment 1.5% and reduce associated faculty and staff positions</td>
<td>0</td>
<td>30</td>
</tr>
<tr>
<td>5.25% reduction in payroll and benefits</td>
<td>74</td>
<td>147</td>
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<tr>
<td>Reduce faculty assigned/release time</td>
<td>15</td>
<td>25</td>
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<tr>
<td>“Third tier” on tuition structure</td>
<td>0</td>
<td>35</td>
</tr>
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<td>0</td>
<td>13</td>
</tr>
<tr>
<td>One-time balance from Continuing Ed</td>
<td>75</td>
<td>0</td>
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<tr>
<td>Other one-time resources</td>
<td>86</td>
<td>0</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$250</strong></td>
<td><strong>$250</strong></td>
</tr>
</tbody>
</table>

Dollars in millions
Real Challenges, Difficult Choices

• Structural deficit requires ongoing solutions even if tax measure passes

• Nothing but most difficult tradeoffs remain for $250 million trigger

• One-time options can only bridge 2012-13

• Timing is important for campuses to adjust and serve students