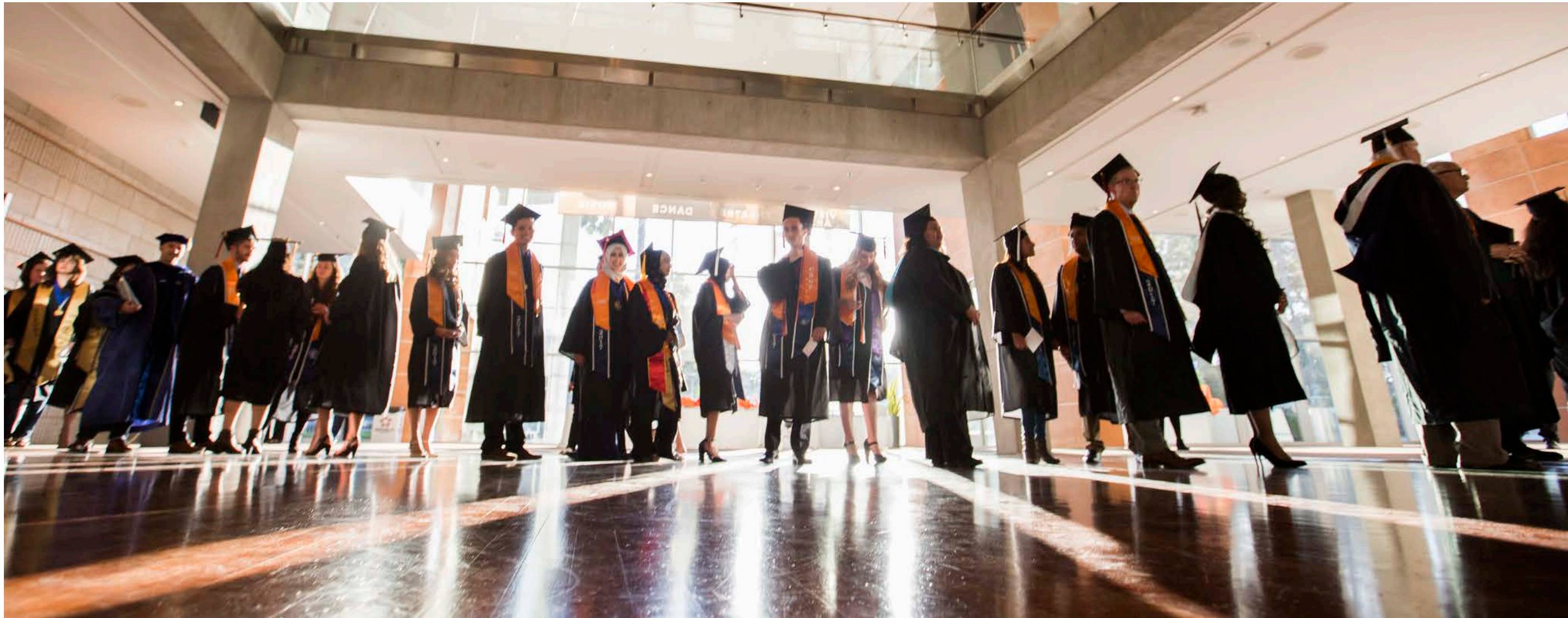


**CSU**

**The California State University**

# **2018-19 Operating Budget & Consideration of Expenditure and Revenue Options**

**Committee on Finance – Agenda Item 4  
January 29-31, 2018**



# Overview

- 2018-2019 Governor's Budget outlook & proposal
- Resulting budget gap
- CSU successes
- Potential impact on CSU and students
- What CSU needs to do

# 2018-2019 Governor's Budget

- California's fiscal outlook is positive
- Statewide – Rainy Day Fund reaches \$13.5 billion
- CSU – \$92 million increase

# 2018-2019 CSU Operating Budget

in millions

<b>Trustees Request to State</b>	<b>\$263</b>
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<b>Governor's Budget Proposal</b>	<b>\$92</b>
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<b>Budget Gap</b>	<b>\$171</b>
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# CSU Successes During Economic Recovery

- More Courses
- More Student Supports
- 31,000+ New Students
- Help on State and Federal Mandates
- Infrastructure Improvements
- Start of Graduation Initiative 2025
- Settled Employee Contracts
- Addressed Health, Pension, and Other Mandatory Costs

# Recent Budget Developments

# Expenditure and Revenue Options

# If no change to \$171m budget gap...

<b>\$171</b>	<b>Gap</b>
<b><u>-75</u></b>	<b>Graduation Initiative</b>
<b>\$96</b>	
<b><u>-20</u></b>	<b>Student Enrollment Growth</b>
<b>\$76</b>	
<b><u>-15</u></b>	<b>Infrastructure Needs</b>
<b>\$61</b>	<b>Fixed Cost Deficit</b>

# What CSU Needs To Do

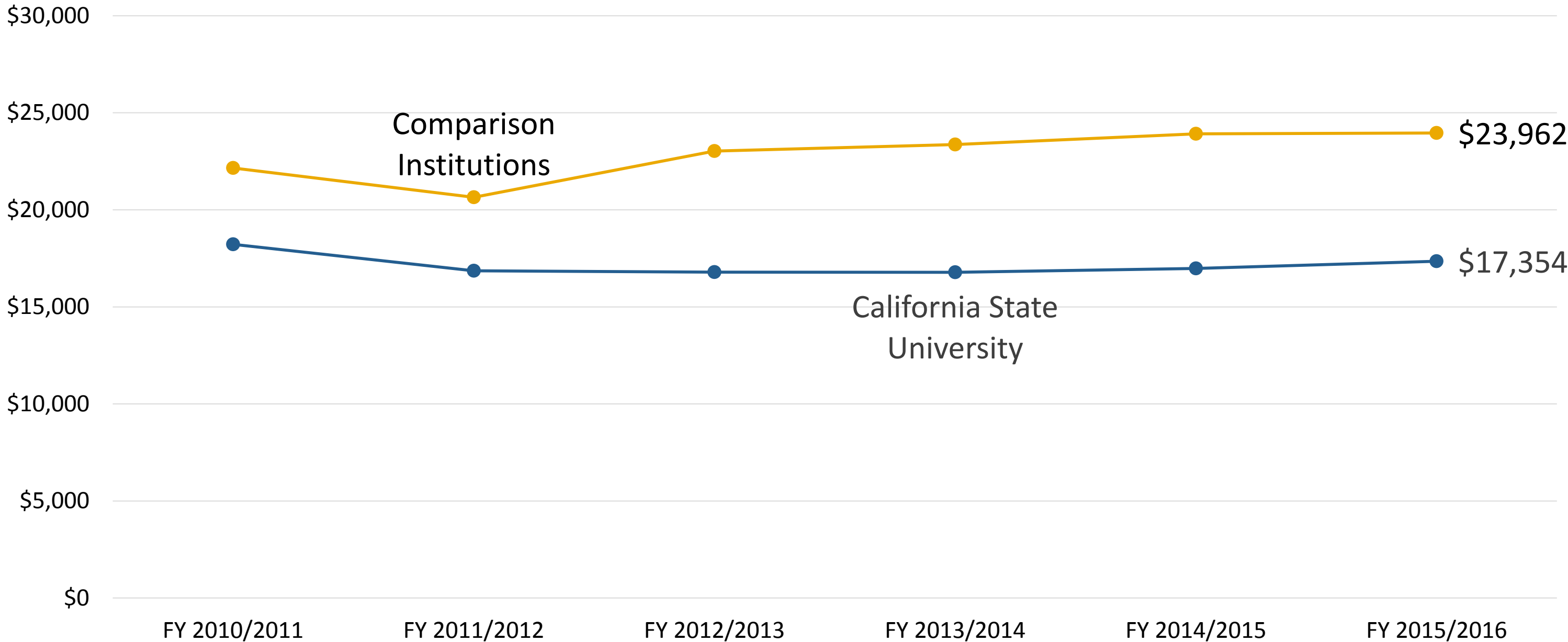
**Top Priority: Seek additional state funding**

**Contingency: Pursue CSU-controlled strategies**

- Plan to reduce programs and services
- Consider potential \$228 per year tuition increase
  - Provides \$70 million in operating revenue
  - Commits \$35 million more for State University Grants



# Expenses Per FTEs



# Five Key Goals

**#1: State to fully fund budget request**

**#2: Resources to maintain quality**

**#3: Affordability**

**#4: No impact to students with greatest need**

**#5: Immediate obligations & reduce time-to-degree**

