CSU Support Budget: 
Addressing the Challenges and Choices

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Board of Trustees Information Item
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
Budget History

- Full Time Equivalent Students (FTES)
- CSU State Allocation (in billions)
Revenue Gap
*(dollars in millions)*

- $171
- $737
- $527
- $1,103

Tuition Fee Revenue Increases
General Fund Reductions and Mandatory Cost Increases

$510 Million Revenue Gap

$593

2007-08  2008-09  2009-10  2010-11  2011-12
Unmet Demand

Undergraduate Applications

Fall 2008: 513,448
Fall 2009: 586,974
Fall 2010: 504,363
Fall 2011: 595,676

Eligible Undergraduate Applicants

Fall 2008: 6,174
Fall 2009: 10,435
Fall 2010: 28,803
Fall 2011: 21,697

* 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 & Tuition Rollback

$557 million loss

Without Tax Approval

$675 million loss

- 2012-13 Tuition Rollback
- Trigger Reduction
- 2012-13 Mandatory Costs
- Revenue Gap
Health Plan Premium Costs

CSU pays 95% of costs

Other CA agencies pay 80% of costs or less

$121 Million

$356 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

• $150 per semester tuition increase
  • No set aside

• 2.5% systemwide reduction in pay/benefits

• No further enrollment reduction

Reaching $250 million…
Preserving Price – No Tuition Trigger

- 1.5% enrollment reduction – 6,000 fewer students
- 5.25% systemwide reduction in pay/benefits
- Reduction of 750 faculty, staff and administrative positions tied to enrollment cuts
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