CAL STATE LA

CALIFORNIA STATE UNIVERSITY, LOS ANGELES

November 27, 2018

I am pleased to present the 2018-19 budget. The budget plan was carefully developed to further the campus mission of cultivating our students' unique talents, diverse life experiences, and intellect through engagement, teaching, research, and public service for the greater good. This budget is more than a set of financial statements, it is a reflection of these commitments and serves as a foundation from which we continue to engage our students, faculty, staff, and the campus community.

We have a lot to be proud of here at Cal State LA. The University is national leader in fostering upward mobility and is well positioned to lead the LA region in producing industry leaders in healthcare, finance, technology, biosciences, and in the arts and entertainment. The University has been ranked again among the top universities in the nation in Washington Monthly's annual college guide. The magazine's 2018 College Ranking Guide names Cal State LA number six in its 150 "Top Master's Universities" category, which includes institutions that grant graduate degrees. Additionally, our University has been selected as a premier educational anchor institution by the Coalition of Urban and Metropolitan Universities as part of a new effort to uplift and transform the economies and social well-being of the region.

The Campaign for Cal State LA is a defining moment in the history of the University. The success of our alumni is a clear indication of the quality of our colleges and academic programs. This campaign will support academic distinction that is paramount to the university. The pillars of our strategic plan will be supported by the campaign, and through our welcoming and inclusive campus we will continue to deliver and support student success. We Are LA.

As Cal State LA advances in the national landscape, we are also transforming the University landscape through unprecedented campus constructions to facilitate expansion and growth to foster innovation in bioscience, student housing, and parking structure development. It is an exciting time at the University.

While this year's budget has been established, we now begin the process of planning for the FY 2019-20 budget requests. As a community, we must continue to work closely with the Chancellor's Office and our constituents to advocate for the CSU and all the great things we do for our students and the community. In the Chancellor's Office 2019-20 budget requests, the California State University (CSU) remains firmly committed to opening the doors of opportunity to all qualified Californians. The CSU will require a connected commitment from the state to provide necessary financial support. Indeed, the best way to keep California moving forward is through a robust investment in the CSU.

As a University, we must be mindful that resource allocations must be prudently managed to achieve even greater operational efficiencies, while maintaining the highest standards in service delivery to our students and campus community.

FINAL BUDGET GUIDELINES

The 2018-19 Final Budget was signed by the Governor on June 27, 2018 (Chancellor's Office Coded Memo B2018-02), which includes a $197.3 million base General Fund appropriation increase for CSU operations. The Governor's budget appropriation includes support for Graduation Initiatives 2025, employee compensation, benefits, and operations and other system-wide priorities.

The Chancellor's Office assigned 2018-19 resident FTES target is 18,005. The campus 2018-19 budgeted resident FTES is 18,545, which is approximately 3% higher than the Chancellor's Office assigned target. The campus budgeted Non-Resident FTES target is 708.

FUNDING ADJUSTMENTS:

Per Coded Memo 2018-02, the final funding adjustments to Cal State LA's 2018-19 General Fund base budgets are as follows:

Base Budget Adjustments	
$1,710,000	2017-18 State Funded Retirement Adjustment
2,372,000	Additional 2017-18 Compensation Increase
563,000	Health
5,343,000	2018-19 Compensation Adjustments
4,529,000	Graduation Initiative
7,357,200	2018-19 SUG 5% Redistribution
$21,874,200	**Total Base Budget Adjustments**

ALLOCATION PROCESS

The final General Fund net allocation is $166,135,539. Anticipated revenues and reimbursements bring the total General Fund gross expenditure budget to $304,346,172.

$166,135,539	General Fund Appropriation
130,109,511	Student Tuition Revenue
6,450,356	Non-Resident Tuition Revenue
1,650,766	Other Fee Revenue
$304,346,172	**Total Estimated Gross Budget**

The University's budget allocations are based upon predefined Chancellor's Office allocations and the University's strategic initiatives. Staff benefits and Faculty/Staff compensation increases have not been allocated to the Executive areas.

Division	Net Allocation	Est. Benefit Allocation	General Fund Gross
Exec. Office of the President (Includes Athletics and Luckman)	$4,963,389	$1,986,615	$6,950,004
Academic Affairs	$165,014,499	$51,226,936	$216,241,435
Information Technology Services	$10,963,439	$3,437,460	$14,400,899
Student Life	$4,926,928	$2,086,613	$7,013,541
Administration and Finance	$27,394,875	$8,572,009	$35,966,884
University Advancement	$3,671,722	$1,562,078	$5,233,800
University Wide	$15,851,861	$2,687,748	$18,539,609
Total	**$232,786,713**	**$71,559,459**	**$304,346,172**

The 2018-19 Lottery campus-based program allocations for Cal State LA is $1,802,000. The California Pre-Doctoral allocations are now administered separately by the CO Academic Services and Professional Development area. Funding will be allocated as programs are awarded.

STRATEGIC PLANNING

The following are campus guidelines for 2018-19:

- Strategic Initiatives: Emphasis will be placed on promoting the University's strategic priorities that include Engagement, Service, and the Public Good; Welcoming and Inclusive Campus; Student Success; and Academic Distinction.

- Student Recruitment/Enrollment Management: Enrollment management will be a critical element in our strategy. Enrollment target decisions are made based upon the enrollment management priorities established by the campus. Given our commitment to quality instruction, every attempt will be made to maintain a Student Faculty Ratio (SFR) that is appropriate given our funding level. Campus policies regarding admission, remediation, and academic progress will be enforced.

- Community Engagement: Emphasis will continue to be placed on building the capacity to achieve the outcomes and goals associated with this strategic initiative, inclusive of the University's community engagement and service learning activities.

- Human Resources: Vacant faculty, staff and administrative positions will be filled on a case-by-case basis.

- Quality Service: Quality service, inclusive of facilities maintenance and cleanliness, will continue to be a campus priority. The University will continue to strengthen its efforts to achieve operational efficiencies and cost savings across all divisions, including collaboration on campus and with other CSU campuses.

- Travel and Professional Development: Support will be provided for the following purposes: a) tenured and tenure-track faculty support for research, scholarly and creative activities, and faculty development; and, b) administrative travel essential to University operations.

- Sabbaticals: In alignment with our institutional commitment to support faculty professional development and educational effectiveness, support will be provided for sabbatical leaves as specified in the Collective Bargaining Agreement (CBA).

- Research, Scholarly and Creative Activities: Funding for Research, Scholarly and Creative Activities, emphasizing student participation, will remain a high priority.

- University Advancement: Funding will be directed toward strategies and materials to promote the University's ability to increase non-state funding, with an emphasis on planned gifts and endowments, unrestricted funds, student support and scholarships, private grants, and capital and equipment gifts.

- Instructional and Administrative Technology: Every attempt will be made to meet student, faculty, and administrative needs.

- Open University Funds: Open University funds are reimbursements to the campus for support services provided by administrative and academic departments to the College of Professional and Global Education. Open University funds are allocated to academic departments through the College Resource Allocation Advisory Committee process to supplement operating expenses.

- College Work-Study: Contingent upon continued approval of Title III status, College Work-Study funds will be available without a matching requirement for participating units.

- Lottery Funds: Lottery funds will be allocated consistent with Trustees' policy and campus priorities. Discretionary Lottery funds will be restricted to critical University needs.

- Instructionally Related Activities: Requests for instructionally related activities will be processed in accordance with Administrative Procedure 217.

- Student Success Fee: Requests for Student Success Fee funding will be processed in accordance with Administrative Procedure 205.

Major Capital Projects:

Rongxiang Xu Bioscience Innovation Center
The grant funded project will construct approximately 20,000 GSF of bioscience wet and dry laboratory spaces and administrative and office support spaces as a self-support facility engaging in community outreach through leased laboratories to the neighboring biotech industries.

Utilities Infrastructure
This project will upgrade and expand critical utility infrastructure components that are deteriorated or undersized. The project includes a central plant chiller upgrade, expansion and replacement of campus-wide chilled water coils in 11 buildings, the replacement of aged, unreliable and unsafe electrical switchgear and the upgrade of the medium-voltage distribution feeder system.

Physical Science Renovation
The project will renovate and upgrade the 218,000 GSF Physical Sciences Building originally constructed in 1972; the project will address structural strengthening and upgrade of all building systems as well as interior buildout to house the relocation of tenants in the existing Administration/Student Affairs building.

Student Housing-East (SH-E)
The campus has completed preconstruction services and begun construction on the project to add approximately 1500 bed dormitory style student housing for freshman and sophomore students. Included in the project are additional spaces for dining, facilities administration, study areas, conferencing/meeting rooms, and fitness.

Electrical Substation and Upgrades
This project will add new 4160v electrical service for additional capacity and relocation of the existing substation in coordination with LADWP.

Parking Structure E (PS-E)
Construction phase work for a new parking structure to add parking capacity to the campus' existing stock and replace parking where construction of the new electric substation and new student housing is to occur.

State Playhouse Ahmanson Gift
The project will provide the Playhouse with aesthetic enhancements with new seating and acoustical panels.

Rosie Casals and Pancho Gonzalez Tennis Center
The project is a 2 story facility that will house men's & women's locker rooms, coaches' rooms, and training room on the first floor, and a spectator suite with hospitality space on the second floor.

Overall, Cal State LA is well positioned to achieve continued success in the upcoming year. We look forward to another productive year.

Sincerely,



William A. Covino
President