CAL STATE LA

CALIFORNIA STATE UNIVERSITY, LOS ANGELES

DATE: November 23, 2015

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FROM: William A. Covino, President

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SUBJECT: **2015/16 FINAL BUDGET GUIDELINES**

This memorandum provides an overview of the 2015/16 University Resource Allocation Plan (RAP) process.

The 2015/16 Final Budget was signed by the Governor on June 24, 2015 (Chancellor's Office Coded Memo B2015-03), which includes a $225.0 million General Fund increase to the CSU support budget and the expectation that CSU tuition rates will not increase. This allocation reflects three percent enrollment growth for 2015-16. The Governor's budget appropriation includes 2% employee compensation pool of $65.5 million, health benefits, new space, and deferred maintenance infrastructure financing for CSU system-wide.

The Chancellor's Office assigned 2015/16 resident target is 17,581. The campus 2015/16 budgeted resident target is 18,108, which is 3% higher than Chancellor's Office assigned 2015/16 resident target. The campus assigned Non-Resident FTES is 675.

FUNDING ADJUSTMENTS

Per Coded Memo B2015-03, the final funding adjustments to Cal State LA's 2015/16 General Fund base budgets are as follows:

	Base Budget Adjustments	
$	2,967,000	2014/15 Retirement Adjustments
	48,300	2014/15 SUPA Settlement
	468,000	Mandatory Cost Increase - Health
	3,682,000	Enrollment Growth
	1,415,000	2% Non-Faculty Employee Compensation Pool
	1,216,000	Student Success & Completion Initiatives
	197,000	Adjustment to Tuition Fee Discount
$	**9,993,300**	**Total**

ALLOCATION PROCESS

The final General Fund net allocation is $122,190,339. Anticipated revenue and reimbursements bring the total General Fund gross expenditure budget to $252,990,411.

General Fund Appropriation	$ 122,190,339
State University Fees	122,703,538
Non-Resident Tuition Revenue	6,445,768
Net Adjusted Other Revenue	1,650,766
Total Estimated Gross Budget	**$ 252,990,411**

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

The following are the estimated 2015/16 Funding Allocations:

Division	Net Allocation	Est. Benefit Allocation	General Fund Gross
Exec. Office of the President (Includes Athletics and Luckman)	$ 4,390,633	$ 1,469,064	$ 5,859,697
Academic Affairs	86,631,158	35,028,699	121,659,857
Information Technology Services	9,881,485	2,564,635	12,446,120
Student Life and Enrollment Services	56,565,213	3,466,354	60,031,567
Administration and Finance	25,657,896	6,429,483	32,087,379
University Advancement	3,451,923	1,237,083	4,689,006
University Wide	15,894,189	322,596	16,216,785
Total	**$ 202,472,497**	**$ 50,517,914**	**$ 252,990,411**

The 2015/16 Lottery campus-based program allocation 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. Funding will be allocated as programs are awarded.

STRATEGIC PLANNING

The following are campus guidelines for 2015/16:

- Student Success: Emphasis will be placed on promoting the Graduation Initiative and the five themes centered around: Comprehensive and Integrated Advisement, Enhancing Academic and Social Support, Student Learning Achievement and ITS Assessment, Enhancing Campus-Student Communication, and Effectiveness in academic program design and development.

- Student Recruitment/Enrollment Management: Enrollment management will be a critical element in our strategy. Cal State LA's 2015/16 Resident FTES target is 18,108. 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 support to host and maintain the S4 Database to track and maintain the University's community engagement and service learning activities.

- Summer Session: The University will offer courses on a self-support and a state-supported basis.

- 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 at the 12% level 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 planning 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 Studies. 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

- L.A. BioSpace
  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 which are deteriorated or undersized. The project includes a central plant 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 provide a comprehensive renovation and upgrade of all building systems.

- DTLA Campus
  The project is a 21,000 sf full floor renovation in 801 South Grand Avenue, a 22 story downtown LA high-rise, that includes 8 general classrooms, 2 executive classrooms and 2 computer labs along with group study rooms and an administrative support suite.

- Café 47 at Library North
  The project is a coffee house café constructed in the northeast corner of Library North. It will serve coffee and related beverages as well as salads, sandwiches and baked goods. A small seating area is part of the café. Café 47 will be accessed from the exterior as well as interior of Library North.

- Student Housing Master Plan and Market Demand Study
  The campus is undertaking a student housing master plan and market demand study in preparation of a project to increase on-campus student housing and support facilities for dining and parking. The study will result in the first phase of a multi-phase student housing expansion which will address student housing in dormitory style for freshman and sophomores along with facilities for housing administration, recreation, and study and meeting areas.

- State Playhouse Seismic Retrofit
  The project will remedy deficient anchorage of long span roof trusses and anchorage of the wall to the roof systems to correct structural/seismic, as well as health and safety hazards associated with the building.

- Rosie Casals and Pancho Gonzalez Tennis Center
  The project is a two-story 6,800 gross square foot (GSF) facility on a site located in the southeast quadrant of the main campus, adjacent to the existing tennis courts. The new building is the beginning of a larger scale renovation of the existing sports complex, and will provide a building that will house men's and women's locker rooms, coaches' rooms, and a training room on the first floor, and a spectator suite with supporting hospitality space on the second floor with views of both the existing tennis courts and existing track and field.

BUDGET MODEL REDESIGN

Cal State LA will implement a new budget model in fiscal year 2016-17. In support of the University's strategic initiatives, the new blended budget model embraces the campus' five budget guiding principles of accountability, transparency, equity, adaptability, and mission sensitivity.

Appropriate consultation, discussion and information sharing will continue as University commitments. As in prior years, the University Reserve will be used in a prudent manner to meet campus needs.