Summary of the Governor’s 2013-14 State Budget

Balanced Budget

- $96.3 Billion spending plan which include $1.1 Billion in reserve
- Multi-year budget plan expected to remain balanced in future years
- Reinvests in education with the passage of Prop 30 (temporary taxes)
  - Increase in Prop 98 Funding (K-12) from $47.2 Billion in 11-12 to $67.1 Billion in 16-17
  - New school funding allocation formula, additional $2.1 Billion beginning in 13-14
  - Funding increase for CSU and UC
  - Funding of Middle Class Scholarships
- Affordable expansion of federal health care reform
- Increase funding for social programs

Achieving Fiscal Balance

- Made difficult programmatic spending cuts over the past two years in education, corrections, and health and human services to achieve a fiscal balance
- New temporary tax revenues from Proposition 30 helped achieve a balance budget
- Continue to pay down Wall of Debt, projections show debt to be reduced to $5 billion by end of 2016-17

Fiscal Risks Remain

- The sunset of temporary sales and incomes taxes (Prop 30, Governor’s tax initiative) in 2016-17
- Unfunded liabilities in the state’s Unemployment Insurance Fund, and liabilities in retiree health costs, pension systems, and rising health care costs
- Federal budget, sequester, and debt ceiling
Summary of Governor’s
2013-14 Budget and Multiyear/Performance Plan
California State University

1. Multiyear State Support for Higher Education for the next four years - “5544 plan”
   a) 5% funding increase for the first two fiscal years and 4% in the latter two fiscal years for CSU
   b) $125.1 million in State Support Funding for 2013-14
       - $48.2M mandatory cost increases (health benefits, new space, and energy)
       - $38.0M compensation increase “pool”
       - $21.7M enrollment growth
       - $10.0M bottleneck courses through the use of technology and online courses
       - $7.2M graduation initiatives and student success

2. Expectation of No Tuition Fee Increases for the next four years
   CSU expected to maintain current tuition and fee levels through 2016-17

3. Middle Class Scholarships
   Qualified students receive up to 40% of the amount charge for tuition fees
   Household income between $100K to $150K
   Commencing 2014-15 (to be phased in over several years)

4. Retirement Contribution Costs
   Freeze state appropriation funding for retirement costs based on 2013-14 payroll costs, CSU will be
   responsible for any additional retirement costs above 2013-14 levels

5. Performance Targets
California State University
2013-14 Budget

FY 2012-13 Budget $ 2.01 Billion

2012-13 Retirement Adjustment 51 Million

2012-13 Revised General Fund 2.06 Billion

Buyout of 12-13 Tuition Fee Rate Increase Adjustment 125 Million

Other Adjustments 18 Million

2013-14 General Fund Increase 125.1 Million

FY 2013-14 GF Budget Appropriation $ 2.3 Billion
SF State
2013-14 Budget
## 2012-13 Budget

Let us take you back for a moment (in millions)

### Passing of Proposition 30

<table>
<thead>
<tr>
<th></th>
<th>Fiscal Year 2012-13</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pre-Election</td>
</tr>
<tr>
<td>General Fund Allocation</td>
<td>$87.2</td>
</tr>
<tr>
<td>Tuition Fees (Pre-election)</td>
<td>161.7</td>
</tr>
<tr>
<td>Revenue Decrease (9.1% Tuition Fee Rollback)</td>
<td></td>
</tr>
<tr>
<td><strong>Total Tuition Fees (Post-election)</strong></td>
<td></td>
</tr>
<tr>
<td>Other Revenues, Fees, &amp; Reimbursements</td>
<td>42.2</td>
</tr>
<tr>
<td><strong>Total Projected Budgeted Revenues</strong></td>
<td>$291.1</td>
</tr>
<tr>
<td>Projected Budgeted Expenditures (includes Tuition Fee Discount)</td>
<td>306.4</td>
</tr>
<tr>
<td>Tuition Fee Discount Adjustment (reduction)</td>
<td></td>
</tr>
<tr>
<td><strong>Total Projected Budgeted Expenditures</strong></td>
<td>$306.4</td>
</tr>
<tr>
<td><strong>Total Projected Structural Deficit</strong></td>
<td>($15.3)</td>
</tr>
</tbody>
</table>
2013-14 Operating Budget Impact
(in millions)

2012-13 Structural Deficit  ($6.4)

Additional Operating Expenditures:

  Retirement Rate Increase  (3.4)
  Health Rate Increase  (2.4)
  Other Adjustments*  (1.1)
  Non-General Fund Summer 2013  (5.0)

-----------

Total Budget Impact  ($18.3)

*such as Financial Aid, Space, Energy, Tuition Discount, and Tuition Revenue Adjustments
## 2013-14 Operating Budget Solutions
*(in millions)*

<table>
<thead>
<tr>
<th>Total Budget Impact</th>
<th>($18.3)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Solutions:</strong></td>
<td></td>
</tr>
<tr>
<td>Share of $125M (Tuition Fee Rollback)</td>
<td>8.4</td>
</tr>
<tr>
<td>Retirement</td>
<td>3.4</td>
</tr>
<tr>
<td>Health</td>
<td>2.4</td>
</tr>
<tr>
<td>Other Funding Adjustments*</td>
<td>0.7</td>
</tr>
<tr>
<td>Enrollment Growth (+274 FTES)</td>
<td>1.3</td>
</tr>
<tr>
<td>Non-General Fund Summer 2013</td>
<td>5.0</td>
</tr>
<tr>
<td>Campus Tuition Revenue Adjustment</td>
<td>1.3</td>
</tr>
</tbody>
</table>

**Total Budget Solutions**

22.5

**Total Available Budget Funding**

$ 4.2

*such as State Interest Assessment, Gross Tuition Revenue, Space and Energy Adjustments*
# 2013-14 Available Budget Funding

*(in millions)*

<table>
<thead>
<tr>
<th>Total Available Budget Funding</th>
<th>$ 4.20</th>
</tr>
</thead>
</table>

### 2013-14 Allocation Funding

- **Academic Affairs**: (3.10)
- **Administration & Finance**: (0.36)
- **Office of the President**: (0.10)
- **Student Affairs/Enrollment Management**: (0.54)
- **University Advancement**: -

| Total Allocation Funding       | ($4.20) |
### SF State
#### 2013-14 State Appropriation Funding
(in millions)

<table>
<thead>
<tr>
<th>FTES</th>
<th>22,800</th>
<th>$104.6</th>
</tr>
</thead>
</table>

#### 2012-13 General Fund Base

#### 2013-14 Funding

- **Share of $125M (Tuition Fee Rollback)**: 8.4
- **Retirement Adjustment**: 3.4
- **Health Rate Increases**: 2.4
- **State Interest Assessment, Energy & Space**: .7
- **Enrollment Growth net of Financial Aid (+274 FTES)**: .8

**Total 2013-14 Funding**: 15.7

#### 2013-14 General Fund Base Allocation

| 23,074 | $120.3 |
## 2013-14 Operating Fund
### Projected Revenues
(in millions)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund Allocation</td>
<td>$120.3</td>
</tr>
<tr>
<td>Tuition Fees</td>
<td>150.0</td>
</tr>
<tr>
<td>Nonresident Tuition</td>
<td>15.8</td>
</tr>
<tr>
<td>Application Fee</td>
<td>1.8</td>
</tr>
<tr>
<td>CEL Summer, AY Support, Cost Allocation ($5M, $1.0M, $1.0M)</td>
<td>7.0</td>
</tr>
<tr>
<td>Reimburse Released Time</td>
<td>3.1</td>
</tr>
<tr>
<td>Federal Work Study and Reimbursements</td>
<td>1.7</td>
</tr>
<tr>
<td>Other Fees &amp; Sources</td>
<td>5.6</td>
</tr>
<tr>
<td><strong>2013-14 Projected Revenues</strong></td>
<td><strong>$305.3</strong></td>
</tr>
</tbody>
</table>
## SF State

### 2013-14 Operating Budget

(in millions)

<table>
<thead>
<tr>
<th></th>
<th>2012-13</th>
<th>2013-14</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Fund Allocation</strong></td>
<td>$104.6</td>
<td>$120.3</td>
</tr>
<tr>
<td>Tuition Fees</td>
<td>148.7</td>
<td>150.0</td>
</tr>
<tr>
<td>Other Revenues, Fees, &amp; Reimbursements</td>
<td>42.2</td>
<td>*35.0</td>
</tr>
<tr>
<td><strong>Total Projected Budgeted Revenues</strong></td>
<td><strong>$295.5</strong></td>
<td><strong>$305.3</strong></td>
</tr>
<tr>
<td><strong>Total Projected Budgeted Expenditures</strong></td>
<td><strong>$301.9</strong></td>
<td><strong>$305.3</strong></td>
</tr>
<tr>
<td><strong>Total Projected Balance/(Structural Deficit)</strong></td>
<td><em>(−$6.4)</em></td>
<td>$0</td>
</tr>
</tbody>
</table>

*In 2013-14, Student Health Services pass-through revenue and expense not included*
SF State
2013-14 Budget
General (Operating) Fund
Expenditure Categories
SF State
2013-14 Operating Budget
Expenditure Categories

How dollars are spent?

- Salaries & Benefits
  - $230.5M
  - 75.5%
- Operating Expenses
  - $13.3M
  - 4.4%
- Non-Discretionary Operating Expenses
  - $61.6M
  - 20.2%

Total: $305.4M
SF State
2013-14 Operating Fund Budget
Expenditure Categories

How dollars are spent?

Salaries
$156.2M
51.2%

Benefits
$74.2M
24.3%

Deferred Maint.
$2.3M
0.8%

Insurance Premiums
$5.0M
1.6%

Utilities
$5.0M
1.6%

Contractual Services
$1.3M
0.4%

Financial Aid
$47.1M
15.4%

Other Mandatory
$0.8M
0.3%

Operating Expenses
$10.5M
3.4%

Library Materials
$2.8M
0.9%

Total: $305.4M
SF State
2013-14 Operating Budget
by Cabinet, Benefits, & Financial Aid

Student Affairs
$13.0M
4.3%

Financial Aid
$47.1M
15.4%

University Advancement
$4.5M
1.5%

Benefits
$74.2M
24.3%

Administration & Finance, $41.2M,
13.5%

Office of the President
$2.9M
0.9%

Academic Affairs
$122.5M
40.1%

Total Operating Budget: $305.4M
SF State
2013-14
General Fund, Self-Support, & Enterprise Fund Budgets
Understanding the University’s Budget
The campus budget consists of multiple components that are administered as separate budgets due to the nature of their funding and restrictions:

- General (Operating) Fund
- Self-Support Fund
- Enterprise Fund

Total: $392.4M
SF State 2013-14
General, Self-Support, & Enterprise Fund Budgets

Budget Components

General (Operating) Fund
Revenue sources: state appropriation, tuition fees, nonresident tuition, application fees, other revenues

Housing
Revenue sources: residence halls, rental revenues from UPS & UPN, conference revenues, other revenues

Continuing Education
Revenue sources: course revenue and non-course revenues

Student Health Services
Revenue sources: student health and facility fees, other revenues

Athletics
Revenue sources: student Athletic fees, other revenues

Parking & Transportation
Revenue sources: parking fees, permits, and citations

Campus Recreation
Revenue sources: student Athletic fees, other revenues

Total: $392.4 M
The general (operating) fund budget is funded largely by state appropriation, tuition fees, nonresident tuition, reimburse released time, CEL support, and other revenues. Expenditures includes salaries & benefits for faculty, staff, and students, maintenance and operations of the university, and student support services (for example: library, admissions, registrar, advising).
The enterprise funds are funded by their respective revenue sources, such as user fees, for example: residence hall fees, rent, student fees, parking & permit fees, course & non-course fees, and other revenues.
SF State 2013-14
General, Self-Support, & Enterprise Fund Budgets

- General Fund, $305.4M, 77.9%
- Athletics, $3.6M, 0.9%
- Campus Recreation, $0.5M, 0.1%
- CEL, $27.6M, 7.0%
- Student Health Services, $11.3M, 2.9%
- Housing, $40.4M, 10.3%
- Parking, $3.1M, 0.8%

Total: $392.4 M
California State University
State Appropriation Funding and Budgeted FTES

FTES

Full Time Equivalent Students (FTES)

$ in billions

CSU State Allocation (in billions)


279,403 291,980 324,120 342,893 339,873 331,716 336,510

2.25 2.47 2.45 2.97 2.79 2.04 2.33

$ in billions


291,980 342,893 339,873 331,716 331,716 336,510

2.45 2.97 2.79 2.04 2.04 2.33

Full Time Equivalent Students (FTES)

CSU State Allocation (in billions)
SF State
State Appropriation Funding and Budget FTES

![Graph showing State Appropriation Funding and Budget FTES]

- Resident Students
- $ in millions
- 1997-98: 19,765, $114.2
- 1998-99: 20,154, $129.4
- 1999-00: 20,554, $134.1
- 2000-01: 21,200, $138.0
- 2001-02: 22,468, $133.0
- 2002-03: 23,416, $171.4
- 2003-04: 23,416, $22,800
- 2004-05: 22,044, $22,800
- 2005-06: 22,044, $23,074
- 2006-07: 22,800
- 2007-08: 22,800
- 2008-09: 23,074
- 2009-10: 23,074
- 2010-11: 22,800
- 2011-12: 22,800
- 2012-13: 23,074
- 2013-14: 23,074

- FTES
- GF Allocation

- SF State
- State Appropriation Funding and Budget FTES
SF State
Percent share of State Support and Tuition Fees & Other Support

1996-97
- State Support (General Fund): 68%
- Tuition Fees and Other Support: 32%

2007-08
- State Support (General Fund): 64%
- Tuition Fees and Other Support: 36%

2013-14
- State Support (General Fund): 40%
- Tuition Fees and Other Support: 60%

Legend:
- Red: State Support (General Fund)
- Blue: Tuition Fees and Other Support
SF State
Less State Support Forces More Reliance on Student Fees

Tuition Fees

<table>
<thead>
<tr>
<th>Year</th>
<th>General Fund</th>
<th>State Funds per Student (FTES)</th>
<th>Average Tuition Fee per Student (FTES)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996-97</td>
<td>$8,391</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1998-99</td>
<td>$5,038</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1999-00</td>
<td>$6,248</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2000-01</td>
<td>$2,879</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2004-05</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2007-08</td>
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<tr>
<td>2009-10</td>
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<tr>
<td>2010-11</td>
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<td></td>
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<tr>
<td>2011-12</td>
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<tr>
<td>2012-13</td>
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<tr>
<td>2013-14</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(in 2013 Constant Dollars)
SF State
Budget Allocation

$ in millions

Source: CO Budget Allocations
San Francisco State University
2013-14 Budget
October 2013