2022-23 Annual Budget Report

San José State University
Charlie Faas
VP Administration & Finance / CFO
What have we accomplished?

2016  
Enhanced transparency, new Campus Leadership

- Growing Enrollment
- Growing International Students
- DMH Upgrades
- ISB Planning
- Advising
- Wellness Center

2019  
Transformation 2030 Strategic Plan

- +100 net T/T Faculty
- PANDEMIC
- Fires, Heat, Smoke, Climate
- Basic Needs & Mental Health
- RSCA
- Title IX expansion
- Enrollment fluctuations

2022  
Current Operating Year

- Enrollment less than planned
- PANDEMIC
- Recession?
- SJSU Online
- Alquist BOT in January

- State Surplus Dwindling
- Declining AUL
- State Budget Cut
- Division of Research & Innovation
- Significant reduction in International Students

- HEERF
- Alquist Planning
- Health Building
- SRAC
- CGR
Transformation 2030

We are a MUCH BETTER campus for addressing, enacting, improving all of the these areas.

But all these needed changes come at a cost.

We believed and are making plans to continue to believe that we should and can grow our enrollment.

We will be continuing to seek CSU funding, but will also be advocating for additional State, Federal and grant funding.
## State Appropriations to SJSU

<table>
<thead>
<tr>
<th></th>
<th>19/20</th>
<th>20/21</th>
<th>21/22</th>
<th>22/23</th>
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</thead>
<tbody>
<tr>
<td>Base</td>
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<td>$192.3</td>
<td>$173.7</td>
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<tr>
<td>State Adds</td>
<td>$20.5</td>
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<td>State Adds</td>
<td>$ (18.6)</td>
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<tr>
<td>State Adds</td>
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<tr>
<td>State Adds</td>
<td>$ 27.9</td>
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<td><strong>Total</strong></td>
<td><strong>$192.2</strong></td>
<td><strong>$173.7</strong></td>
<td><strong>$193.2</strong></td>
<td><strong>$221.1</strong></td>
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4 Yr Avg: $195.1
## Tuition & Fees

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<thead>
<tr>
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<th>Undergrad</th>
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<tbody>
<tr>
<td></td>
<td>Tuition</td>
<td>Fees</td>
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<tr>
<td>22/23</td>
<td>$ 5,742</td>
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<td>19/20</td>
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<td>18/19</td>
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<td>17/18</td>
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<td>$ 1,945</td>
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<tr>
<td>15/16</td>
<td>$ 5,472</td>
<td>$ 1,906</td>
</tr>
<tr>
<td>14/15</td>
<td>$ 5,472</td>
<td>$ 1,851</td>
</tr>
<tr>
<td>13/14</td>
<td>$ 5,472</td>
<td>$ 1,871</td>
</tr>
<tr>
<td>12/13</td>
<td>$ 5,472</td>
<td>$ 1,657</td>
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</table>
HOW DOES YOUR INSTITUTION DEFINE INFLATION?

CPI might not best capture your expense structure

HEPI Index

Enrollment Headwinds

Prior plan anticipated enrollment and revenue growth

• We haven’t achieved these goals

Five Areas of impact

Free Community College (CC) Tuition – lower Freshmen
UC Transfer Policy – CC (lower transfers to SJSU)
SJSU (lower retention)
Lower High School Seniors – lower Freshman
International – Graduate / Freshman / Transfers
Improved Graduation Rates
2022/23 Budget Planning

CSU – State Budget Cycle

Fall 2021
CSU Budget Request
$673M

- $491M operating needs
- $75M GI2025
- $20M student basic needs

January 2022
Governor proposal
$304M

- $211M operating needs including GI2025
- $12M foster youth support

June 2022
Enacted Budget
$365M

- $211M operating needs
- $35M GI2025
- $10M student basic needs
- $12M foster youth support
- $81M for 2.5% enrollment growth (9,434 FTES)
- $87M for 2.5% enrollment growth (9,434 FTES)
- $16M specific programs

Governor proposal
$304M

- $211M operating needs including GI2025
- $12M foster youth support

Enacted Budget
$365M

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- $35M GI2025
- $10M student basic needs
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- $87M for 2.5% enrollment growth (9,434 FTES)
- $16M specific programs
2022/23 Budget Planning

CSU – State Budget
“Good News!”

• 5% multi-year Compact established
• Over $211M of undesignated funding
• GI2025 Basic Needs and Mental Health funding
• Funded enrollment growth
• $500M+ of infrastructure funding
2022/23 Budget Planning

CSU – State Budget
“Good News!”

- 5% multi-year Compact established
- Over $211M of undesignated funding
- GI2025 Basic Needs and Mental Health funding
- Funded enrollment growth
- $500M+ of infrastructure funding

CSU – State Budget
Reality!

- Compact only yields 3.5% and has required commitments
- Pressure to reduce base funding increases in final budget (Governor)
- No funds for staff or faculty salary studies
- $125M of infrastructure in 1X funds...SJSU gets $7M
- HEERF is gone, expenditures remain
- Inflation, supply chain, retention, recruiting, cost of living
### Budget Calendar

<table>
<thead>
<tr>
<th>State / Legislature</th>
<th>CSU Chancellor / Board of Trustees</th>
<th>San Jose State University</th>
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<tbody>
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<td><strong>JUL</strong></td>
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<td><strong>JUN</strong></td>
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#### State / Legislature
- **Gov's Budget**
- **Legislative Budget Hearings and Analysis**
- **May Revision Budget**
- **Final Enacted Budget**

#### CSU Chancellor / Board of Trustees
- **Support Budget Planning, Enrollment Targets Finalized**
- **Preliminary Budget Allocation**
- **Budget Allocation**

#### San Jose State University
- **Ongoing Enrollment, Resource, and Budget Planning**
- **Fall Term Begins**
- **Fall Applications**
- **Fall Students Accepted**
- **Fall Intent to Enroll**
- **Budget Commitments, Adjs**
- **Annual Budget Report Prepared**
- **Mid-Year Review**
- **Q3 Review**
- **Business Plans Due**
- **Q4 Review**
## 2022/23 Budget Planning

<table>
<thead>
<tr>
<th></th>
<th>CSU</th>
<th>SJSU</th>
<th>%</th>
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</thead>
<tbody>
<tr>
<td><strong>2021/22 Final Budget, General Fund</strong></td>
<td>$4,228,282</td>
<td>$193,186</td>
<td>5%</td>
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<tr>
<td><strong>2021/22 State-Funded Retirement Adjustment</strong></td>
<td>($4,410)</td>
<td>($304)</td>
<td>7%</td>
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<tr>
<td><strong>2021/22 Revised General Fund Budget</strong></td>
<td>$4,223,872</td>
<td>$192,882</td>
<td>5%</td>
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<tr>
<td><strong>2022/23 General Fund Increase</strong></td>
<td>$365,718</td>
<td>$28,186</td>
<td>8%</td>
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<td><strong>2022/23 Total General Fund Budget</strong></td>
<td>$4,589,590</td>
<td>$221,068</td>
<td>5%</td>
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<tr>
<td><strong>2021/22 Gross Tuition &amp; Fees</strong></td>
<td>$3,081,482</td>
<td>$231,113</td>
<td>8%</td>
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<tr>
<td><strong>2022/23 Tuition from Enrollment Growth (9,434 FTES)</strong></td>
<td>$45,078</td>
<td>$2,974</td>
<td>7%</td>
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<tr>
<td><strong>2022/23 Gross Tuition &amp; Fees</strong></td>
<td>$3,126,560</td>
<td>$234,087</td>
<td>7%</td>
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<tr>
<td><strong>2022/23 Total Operating Budget</strong></td>
<td>$7,716,150</td>
<td>$455,155</td>
<td>6%</td>
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<tr>
<td><strong>2022/23 Expenditure Increases</strong></td>
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<tr>
<td>Employer Paid Health Premiums</td>
<td>$13,962</td>
<td>$909</td>
<td>7%</td>
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<tr>
<td>Operations and Maintenance of New Facilities</td>
<td>$3,094</td>
<td>$176</td>
<td>6%</td>
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<td>Compensation Adjustment</td>
<td>$173,427</td>
<td>$21,085</td>
<td>12%</td>
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<tr>
<td>Strategic Resident Enrollment Growth (9,434 FTES)</td>
<td>$129,862</td>
<td>$7,915</td>
<td>6%</td>
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<tr>
<td>Graduation Initiative 2025, Student Basic Needs</td>
<td>$45,000</td>
<td>$0</td>
<td>0%</td>
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<tr>
<td>Foster Youth Program</td>
<td>$12,000</td>
<td>$712</td>
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<tr>
<td>Other Program Adjustments</td>
<td>$33,451</td>
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<td>State University Grant Redistributon</td>
<td>$0</td>
<td>$363</td>
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<td><strong>2022/23 Total Expenditure Increases</strong></td>
<td>$410,796</td>
<td>$31,160</td>
<td>8%</td>
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Base funding in $ thousands. SJSU compensation is showing as 12% of CSU allocation as CSU used funds received in prior year to fund. CSU allocated $1X for GI2025 and Student Basic Needs for 2022/23; base funds anticipated in future year.
## Simple Math for Salaries

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
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<tbody>
<tr>
<td>Faculty / Staff Headcount</td>
<td>3300</td>
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<tr>
<td>One-Time Payment</td>
<td>$3,500</td>
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<tr>
<td>Average Salary</td>
<td>$80,000</td>
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<td>Salary Increase</td>
<td>7%</td>
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<tr>
<td>Expense Incurred</td>
<td>$30.0</td>
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**Note:** There’s another 500 staff in Enterprises & Auxiliaries $4.5M
Four Areas that put us here

General Fund
- SJSU’s starting point was under staffed / under funded
- SJSU’s Compensation (even more so than the CSU) is under funded

Revenues
- Impossible to correct budget without adding Revenue
  - Enrollment Increases
  - Tuition Increases - systemwide
  - New Sources

Requests
- We have historically NOT asked for what we need & then asking late when we do

Pandemic
- Changed our way of teaching, learning & operating at significant cost
### What’s the Gap?

<table>
<thead>
<tr>
<th></th>
<th>2020/21</th>
<th>2021/22</th>
<th>2022/23</th>
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</thead>
<tbody>
<tr>
<td><strong>Gap</strong></td>
<td>($92.3)</td>
<td>($36.7)</td>
<td>($36.7)</td>
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<td><strong>Measures:</strong></td>
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<tr>
<td>Unspent Salary Expense</td>
<td>($6.2)</td>
<td>($10.0)</td>
<td>($10.5)</td>
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<tr>
<td>Reserves</td>
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<tr>
<td>Univ</td>
<td>($53.0)</td>
<td>($18.2)</td>
<td>($18.1)</td>
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<tr>
<td>Aux</td>
<td>($6.0)</td>
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<tr>
<td>HEERF</td>
<td>($16.5)</td>
<td>($5.0)</td>
<td>($1.3)</td>
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<tr>
<td>OE&amp;E</td>
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<tr>
<td>Travel</td>
<td>($2.6)</td>
<td>($1.3)</td>
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<td>Deferrals</td>
<td>($2.7)</td>
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<tr>
<td>Div Reduction</td>
<td>($6.2)</td>
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<td>($5.3)</td>
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How do we recover?

This year
One Time Savings
Reserves / OE&E / Unfilled Position Salary Savings

Short term
Enrollment
Need to assess:
Campus Priorities
Funding Levels
Focus
What doesn’t get done

Clear Communications

Longer term
Enrollment Growth Strategies
Scope Reallocation / Focus
Grow SJSU Online
Other Future Revenue Growth areas
Chart above displays the breakdown of the Operating Fund expenditure budget, base and one-time allocations for this year. Budget excludes Restricted Student Aid (primarily a U-Wide tuition discount). Employee benefits have been estimated for all Divisions at a rate of 48%. More details are available in the Annual Budget Report.
Breakdown of Operating Fund Categories  2022-2023 Budget

- Salaries: 53%
- Benefits: 25%
- Financial Aid: 8%
- Utilities: 2%
- Operating Expenses & Equipment: 12%
SJSU Expenditure Budgets 2022-2023 Budget

Total $763M

Operating Fund $480M

- Research Fndn $54M
- SSETF $29M
- Housing $50M
- Parking $9M
- Athletics Self-Support $8M
- Extended Ed. $43M
- Lottery $3M
- Spartan Shops $3M
- Student Health $18M
- Student, Union, Inc. $16M
- Associated Students $10M
- Tower Fndn $30M
- Lottery $3M
For more information, visit:

https://www.sjsu.edu/fabs/services/transparency/annual-reports
https://www.sjsu.edu/adminfinance/csu-operating-budget.php