

# 2021-2022 Budget Update

CSU Advocacy Week Kick-Off  
February 1, 2021



# Overview

- State Budget Outlook
- CSU Fiscal Context & Request
- Governor's Preliminary Proposal for CSU
- The Additional Ask

# State Budget Outlook

# State Budget Outlook

## Short Term

- State tax revenues up
- \$15 billion revenue surplus
- Governor proposes mostly one-time spending

## Long Term

- Tax revenue estimate = +1.9% annually through 2024-2025
- State operating budget deficits growing

Governor's administration is cautiously optimistic

# CSU Fiscal Context and Request

# CSU Financial Considerations

**State general fund recurring reduction—\$299 million**

- Expenditure savings like hiring chill and limited travel

**Revenue losses & costs for enterprise & auxiliary programs**

**Planned use of designated balances and reserves**

- Revised = over \$200 million (est.)

**One-time federal help—Higher Ed Emergency Relief Fund I & II**

**Operating Budget Request**

<b>Incremental Expenditures</b>		<b>in millions</b>
<b>Graduation Initiative 2025</b>		<b>\$150.0</b>
Highest Campus Priorities	120.0	
Basic Needs Initiative	30.0	
<b>Restoration of 2020-21 General Fund Reductions</b>		<b>299.0</b>
<b>Academic Facilities &amp; Infrastructure Needs</b>		<b>50.0</b>
<b>Mandatory Costs</b>		<b>57.0</b>
AB 1460 Ethnic Studies Requirement	16.5	
Health Benefits	23.8	
Maintenance of New Facilities	11.3	
Minimum Wage	5.4	
<b>Total Incremental Expenditures</b>		<b>\$556.0</b>

# Governor's Preliminary Proposal for CSU



# 2021-22 Governor's Proposals for CSU

<b>Recurring Funding</b>	
General Operating Costs	\$111.5 million
Graduation Initiative 2025 – Basic Needs Initiative	15.0 million
Student Mental Health and Technology Needs	15.0 million
Common Learning Management System	2.0 million
Stanislaus State, Stockton Center Enrollment Growth	1.0 million
<b>Total, Recurring</b>	<b>\$144.5 million</b>

# 2021-22 Governor's Proposals for CSU

<b>One-Time Funding</b>	
Deferred Maintenance	\$175.0 million
Emergency Financial Assistance Grants to Students	30.0 million
Computing Talent Initiative at Monterey Bay	10.0 million
Faculty Professional Development	10.0 million
<b>Total, One-Time</b>	<b>\$225.0 million</b>

# The Additional Ask

# \$365 Million Recurring | \$565 Million One-time

## RECURRING



### RESTORATION OF CUTS \$299 MILLION

- Through prudent fiscal management and use of reserves, the CSU has largely avoided systemwide layoffs and furloughs of our 53,000 faculty and staff.
- Restoration of cuts will ensure long term stability and protect our employees.



### GRADUATION INITIATIVE 2025 \$66 MILLION

- While grad rates have improved by 63%, equity gaps have remained stubborn, making only incremental changes.
- Being able to close equity gaps is essential to creating a diverse workforce and rebuilding a middle class that includes all Californians.
- This investment would fully fund the Trustees' 2021-22 budget request for GI 2025.

## ONE-TIME



### ACADEMIC FACILITIES AND INFRASTRUCTURE \$565 MILLION

- The CSU has an identified need of \$740 million in 2021-22 for academic facilities and infrastructure projects.
- Of this, \$480 million in approved projects can immediately proceed to design and/or construction.
- Investment in these projects could create jobs immediately and help stimulate the economy.

