



**California State University
Maritime Academy
2016-17 Budget Presentation**

Summary of Governor's Proposed 2016-17 State Budget

Highlights

- \$122.6 billion spending plan and \$10 billion in reserves
- State revenues forecasted to increase/Multi-year budget plan expected to remain balance
- Prioritization of the state's reserves and infrastructure
- Maintain spending commitment for the state's neediest residents
- Continue its reinvestment in education
 - ✓ Increase in Prop 98 Funding, \$2.4 billion, total budget \$71.6 billion
 - ✓ Funding increase for CSU and UC

Risks Remain

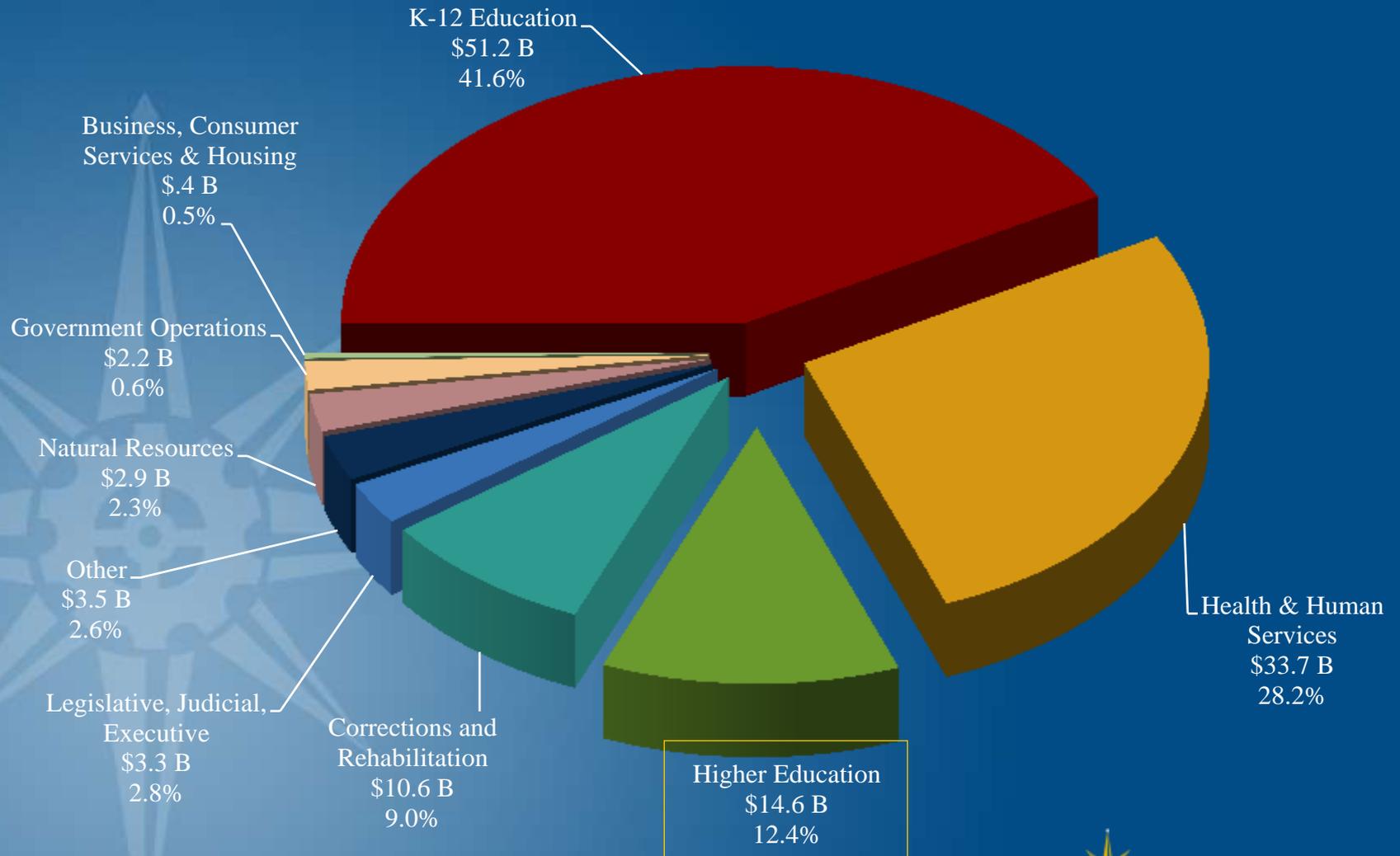
- Modest economic expansion continues, however, all economic expansion don't last forever
- Capital Gains: State continues to benefit from a much improved economy with markets performing relatively better than expected
- Sunset of temporary sales and incomes taxes (Prop 30, Governor's tax initiative)
- Long-Term Liabilities: State continues to address other long-term costs pressures, debts, and liabilities
- World events will affect the fiscal outlook of California

Governor's Proposed 2016-17 State Budget

Figure SUM-01
2016-17 Governor's Budget
General Fund Budget Summary
(Dollars in Millions)

	<u>2015-16</u>	<u>2016-17</u>
Prior Year Balance	\$3,699	\$5,172
Revenues and Transfers	<u>\$117,537</u>	 <u>\$120,633</u>
Total Resources Available	\$121,236	\$125,805
Non-Proposition 98 Expenditures	\$66,072	\$71,637
Proposition 98 Expenditures	<u>\$49,992</u>	<u>\$50,972</u>
Total Expenditures	\$116,064	 \$122,609
Fund Balance	\$5,172	\$3,196
Reserve for Liquidation of Encumbrances	\$966	\$966
Special Fund for Economic Uncertainties	\$4,206	\$2,230
Budget Stabilization Account/Rainy Day Fund	\$4,455	\$8,011

Governor's Proposed 2016-17 State Budget

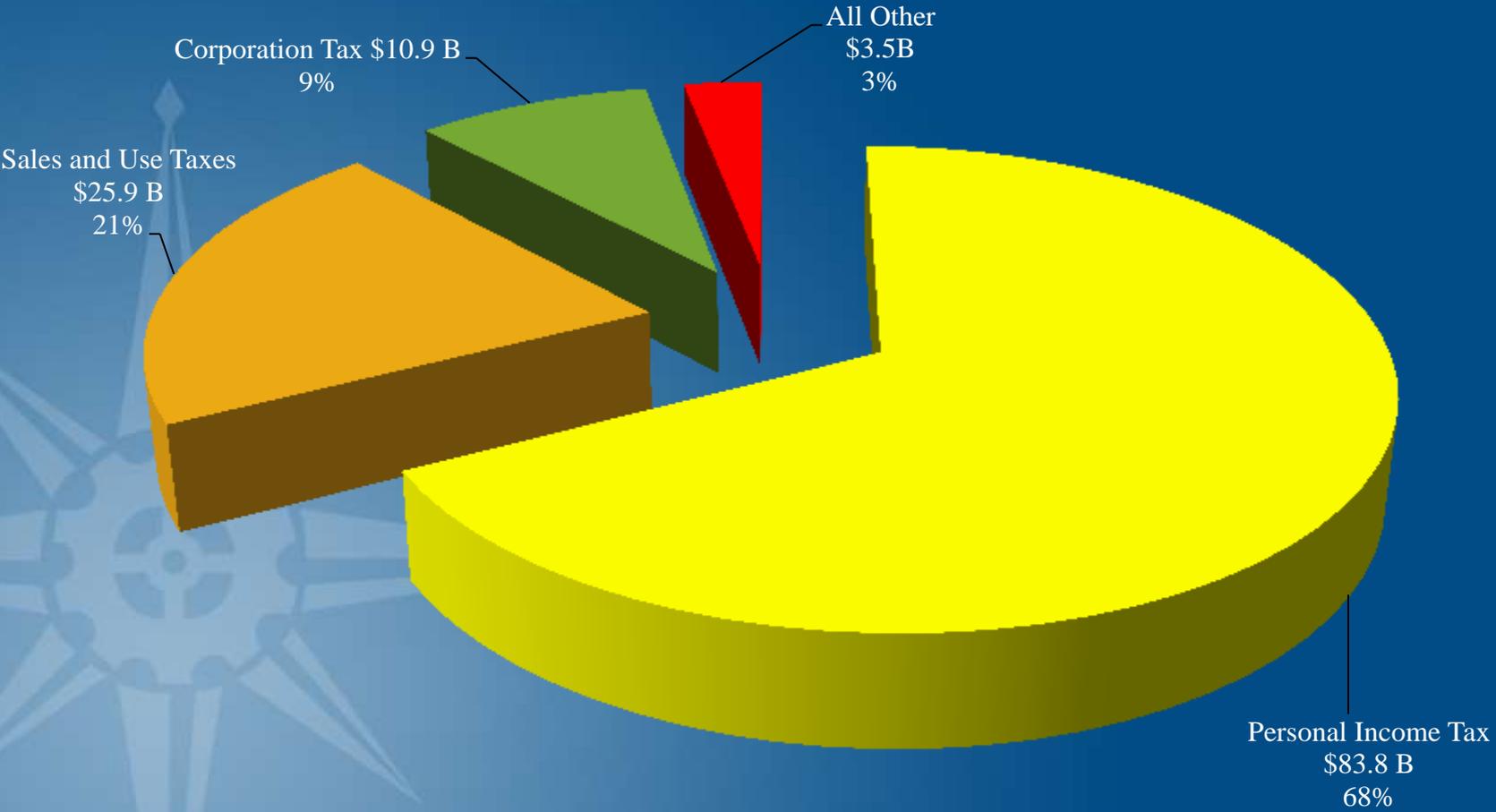


Total: \$122.6 B

Note: Numbers may not add due to rounding



Governor's 2016-17 Budget Revenue Sources



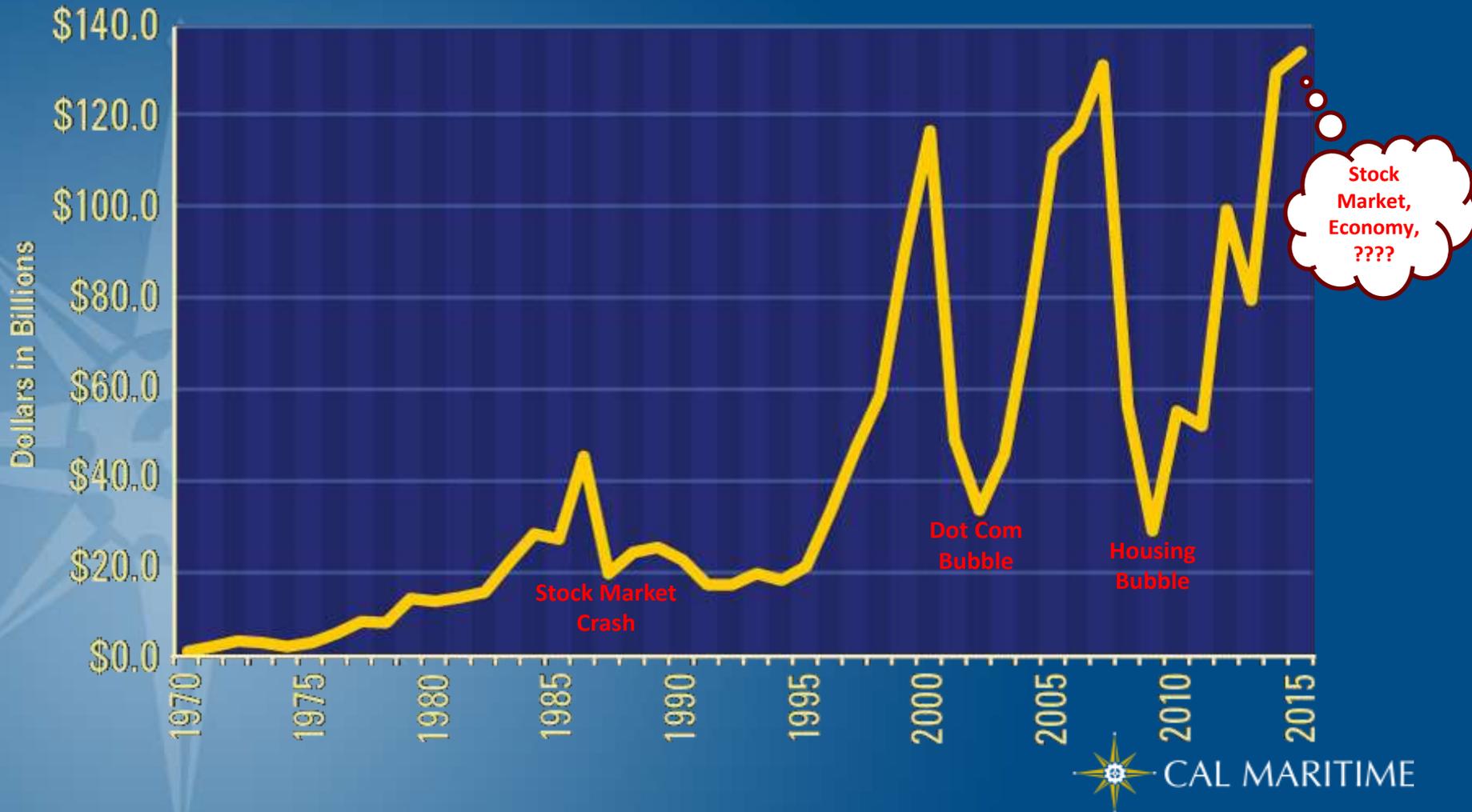
Total: \$120.6 B*

*after \$3.5M adj/xfer to Budget Stabilization Account/Rainy Day Fund

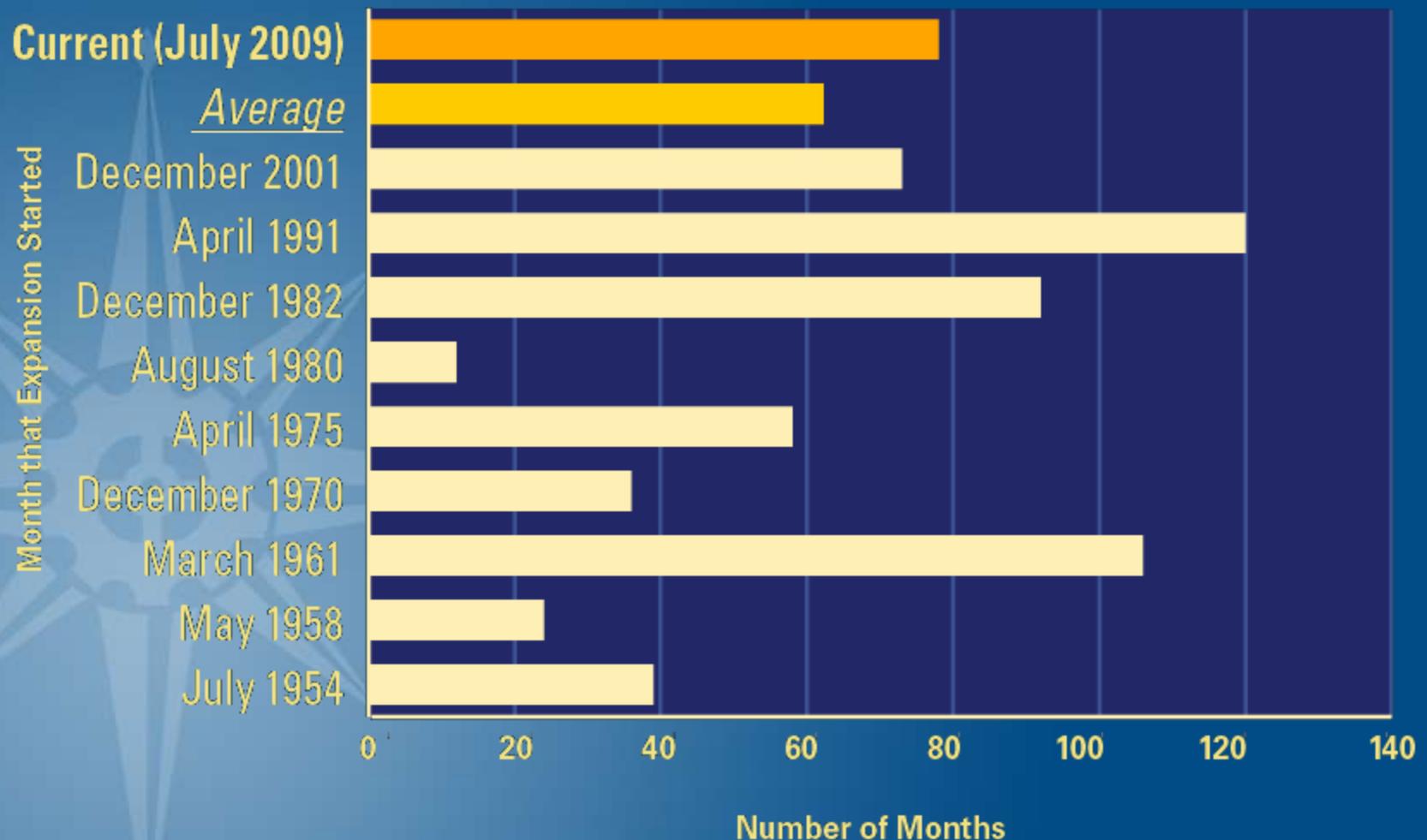
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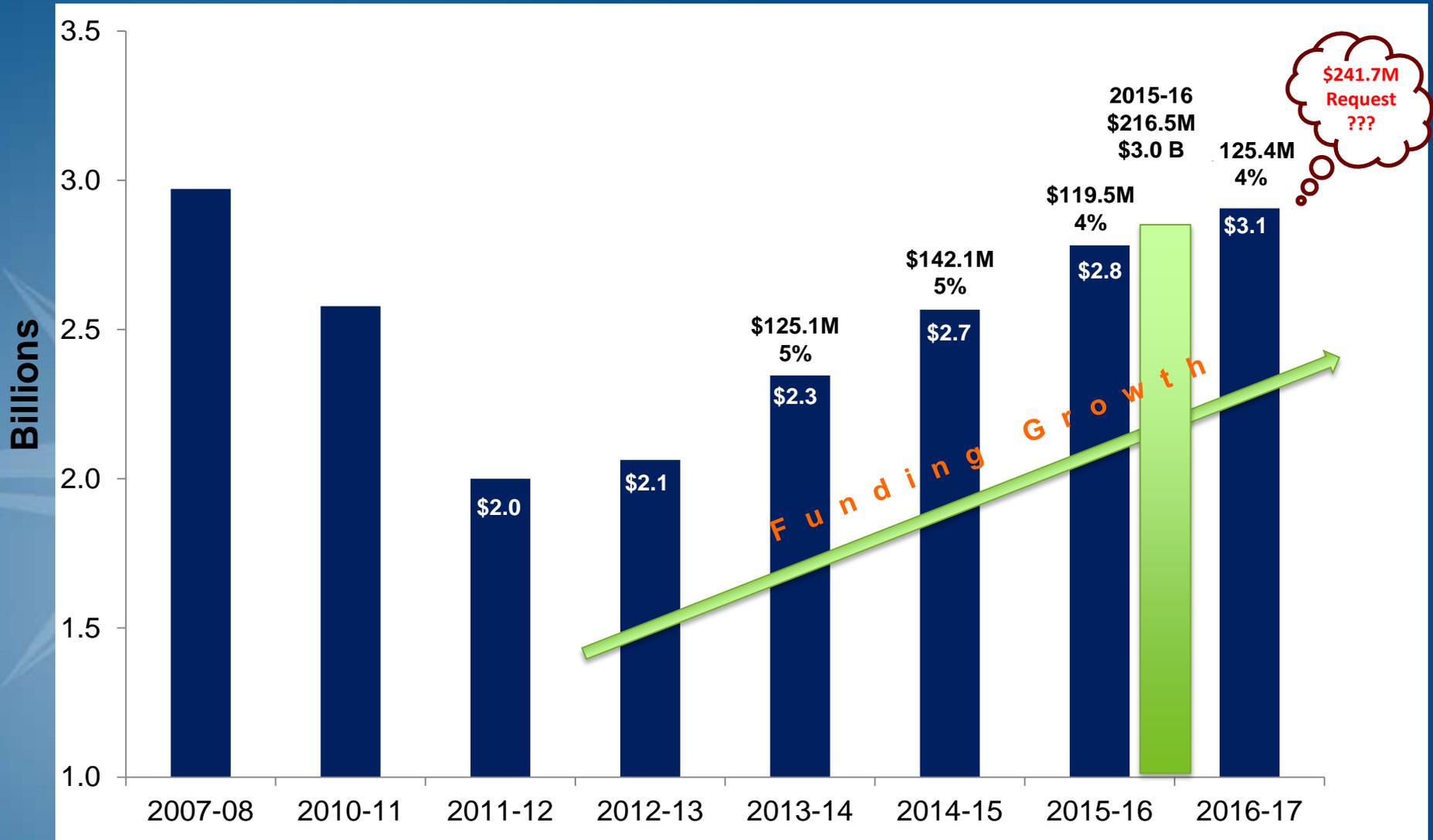
Unpredictable Capital Gains



Current Recovery Already Two Years Longer Than Average



GOVERNOR'S GENERAL FUND MULTI-YEAR BUDGET PLAN FOR THE CALIFORNIA STATE UNIVERSITY



2016-17 SUMMARY OF GOVERNOR'S PROPOSED BUDGET FOR CALIFORNIA STATE UNIVERSITY

- **Multi-Year State Support for four years**
 - Fourth year of multi-year funding plan for CSU, \$125.4 million

- **Other Funding**
 - Middle Class Scholarship, \$15 million
 - Lease Revenue, \$7.9 million

- **One-Time Funding**
 - Deferred Maintenance, \$25 million
 - Energy Projects, \$35 million

- **Maintain current tuition and fee levels through 2016-17**

- **Focus on Four-Year Graduation Rates**

CALIFORNIA STATE UNIVERSITY 2016-17 SUPPORT BUDGET PLAN

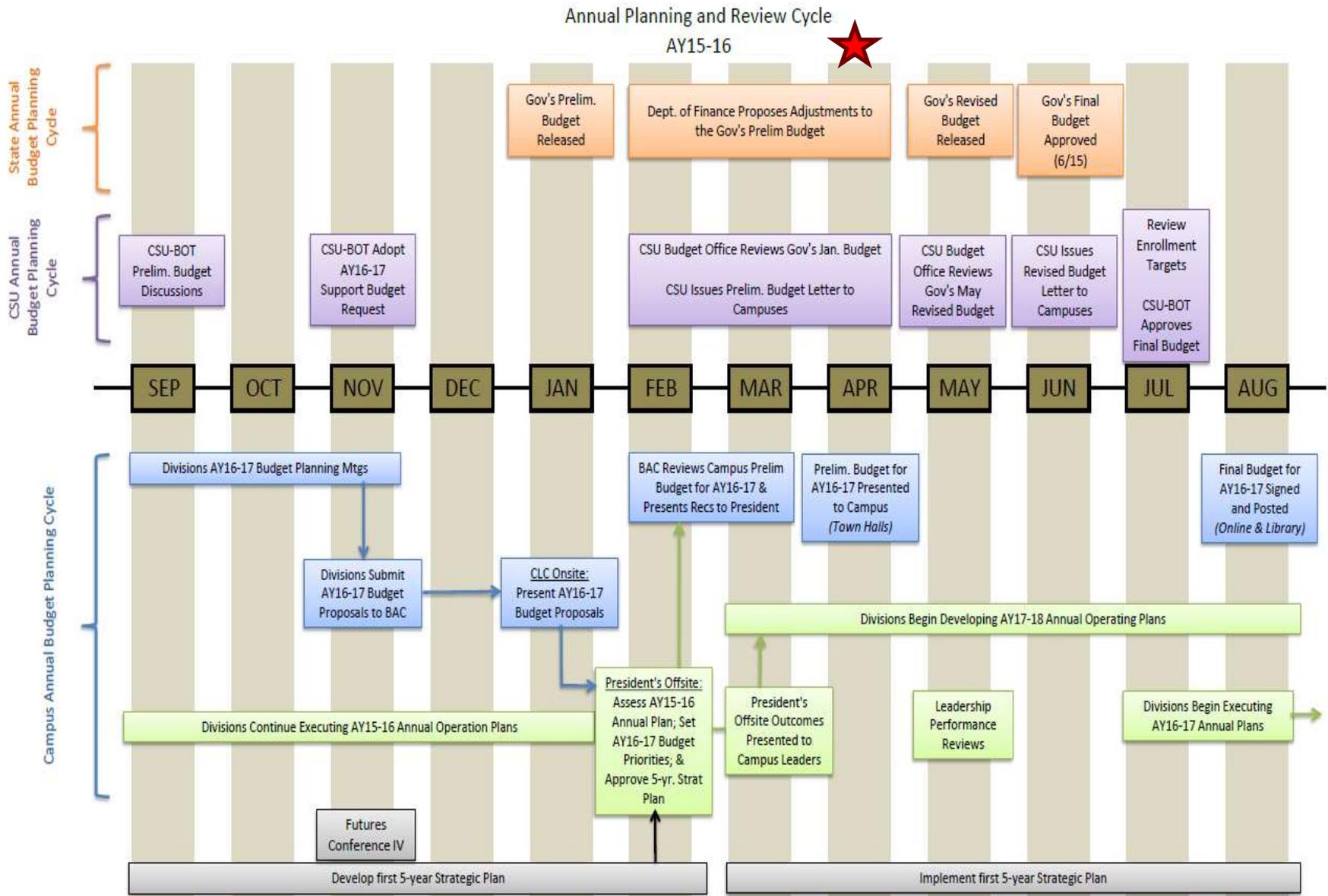
Student Success and Completion Initiatives	\$ 50.0
3% Enrollment Growth (10,700 FTES)	\$ 110.0
Mandatory Costs Increase (health benefits, retirement, space)	\$ 43.0
2% Compensation Increase	\$ 69.6
Academic Facilities & Infrastructure Needs	\$ 25.0
<hr/>	
Total Budget Plan Increase in Expenditures	\$ 297.6
Net Tuition Fee Revenues Generated by 3% Enrollment Growth	(\$ 55.9)

Governor's Proposed Budget Addition for CSU = \$125.4M

Total Ongoing Expenditure Increase in State Support  \$ 241.7



Cal Maritime Budget Process



Cal Maritime Budget Process

1st Principle: Priorities-based budget NOT budget-based priorities

- ✓ Prior years' budgets: GF, MARAD, Cruise
 - ✓ Incremental
- ✓ Budget planning method is Zero-Base
 - ✓ Reviewed expenses in prior fiscal years

2nd Principle: Transparency

- ✓ Discussed budget request expenditures with the President's Cabinet
- ✓ 2016-17 preliminary budget reviewed and discussed with Campus Leadership Council and Budget Advisory Committee

3rd Principle: Strategic approach to budgeting

- ✓ Long-term impacts
- ✓ Investments in people
- ✓ Set conditions for success of the campus strategic plan

4th Principle: Make every dollar count

- ✓ Budget was refined to reflect operational efficiencies and align the budget to the strategic plan



Cal Maritime 2016-17 Budget Expenditure & Revenue Projections

2016/17 Revenue & Expenditure Projections

<u>Sources</u>	
<u>State Appropriation</u>	
Adjusted Base Allocation	27,825,676
Health Benefits	218,000
2016-17 1.0% Enrollment Increase (15 FTE)	87,000
Compensation	291,000
Retirement Rate Increase / (Decrease)	146,000
Program Funding EOP	345,500
General Set-Aside from Tuition Fee Revenue	(13,000)
General Fund Tuition Fee Discount Adjustment	10,000
General Fund	28,910,176
<u>Receipts and Other Sources</u>	
Tuition Fee	6,799,203
Non-resident Tuition Fee	429,660
Post Baccalaureate Fee	43,668
Application Fee	62,150
Other Revenues	2,709,177
Cost Recovery Plan	1,685,960
Medical Insurance (Student Affairs)	715,000
Other Non-Operating Revenues	56,938
MARAD	700,000
Cruise	1,500,000
Lottery, Interest	122,500
IRA (Student Affairs - Athletics)	100,000
Edwards Leadership (Student Affairs)	3,000
Campus Rec Fee	250,000
Receipts & Other Sources	15,177,256
Total Sources	44,087,432

<u>Uses</u>	
Academic Affairs	10,548,492
Administration & Finance	7,324,541
President	809,770
Marine Programs	3,429,444
Student Affairs	5,422,975
University Advancement	1,047,372
Cabinet Total	28,582,594
<u>Academy Wide</u>	
Benefits	10,051,000
Emergency, Contingency, Campus Initiatives	571,850
Compensation Allocation to be distributed	291,000
Construction Pool	261,000
Professional Development	150,000
IT Computer Refresh Program	40,000
Tuition Discount	1,963,900
FSEOG Campus Match	22,310
Scholarships	20,000
FERP Pool	54,500
Sabbatical Pool	71,500
Telecommunications	169,304
Communications-Mail Services	9,047
Utilities	1,200,000
Print /Copy	50,000
Risk Management	579,427
Academy Wide Total	15,504,838
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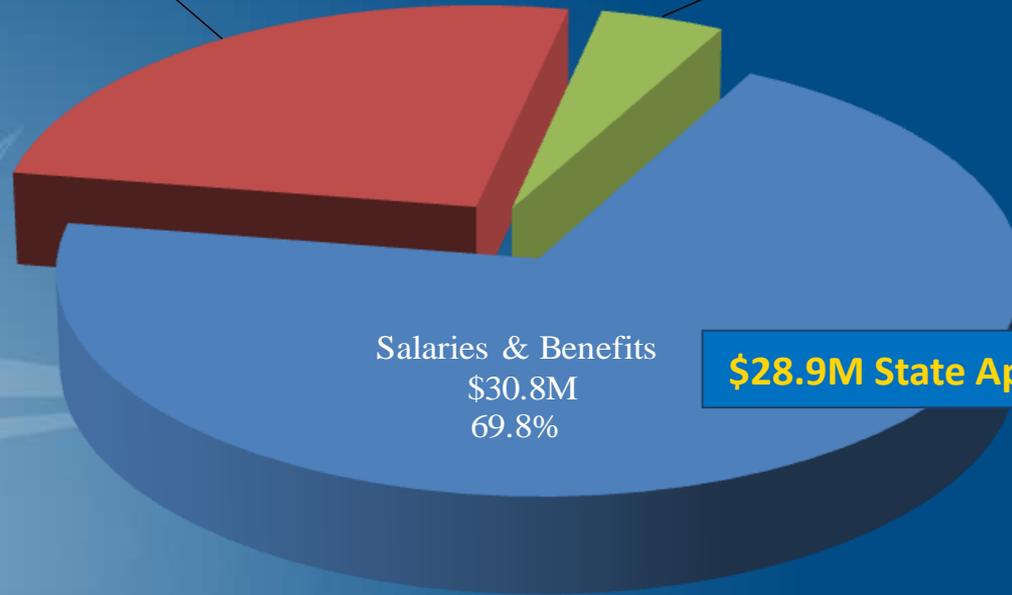
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Cal Maritime 2016-17 Operating Budget

How dollars are spent?

Operating Expenses
\$11.3M
25.7%

Financial Aid
\$2.0M
4.5%

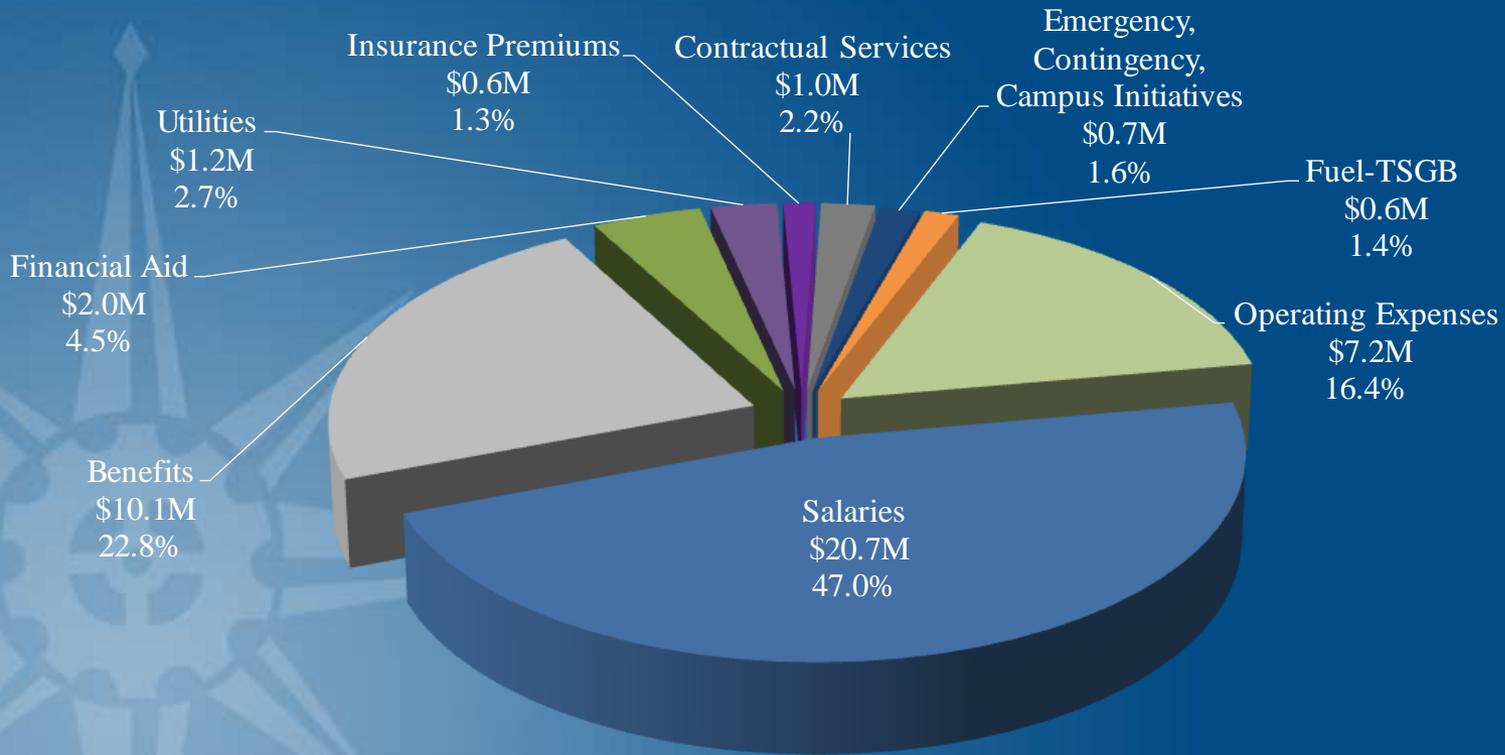


\$28.9M State Appropriation

Total Operating Budget: \$44.1 M

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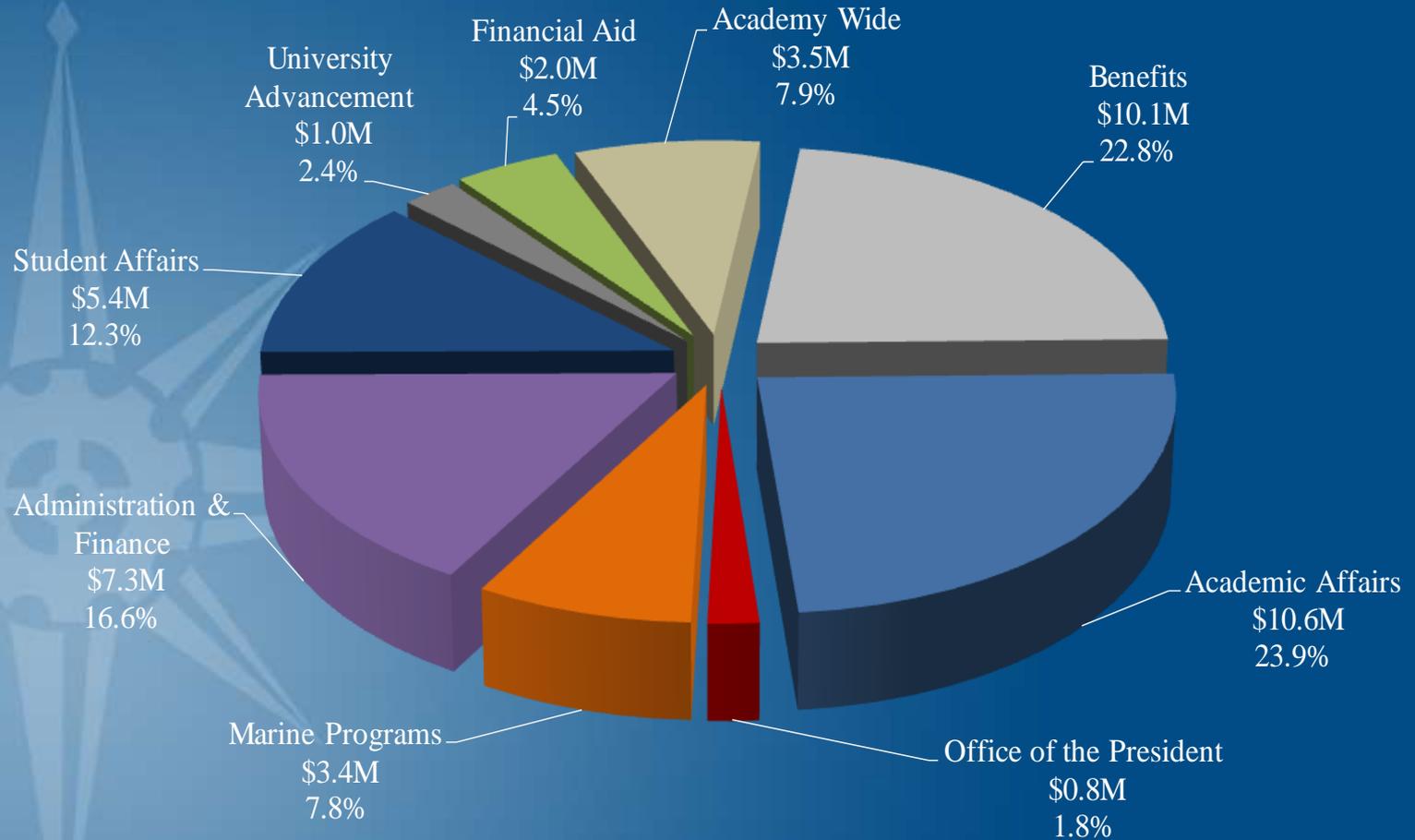
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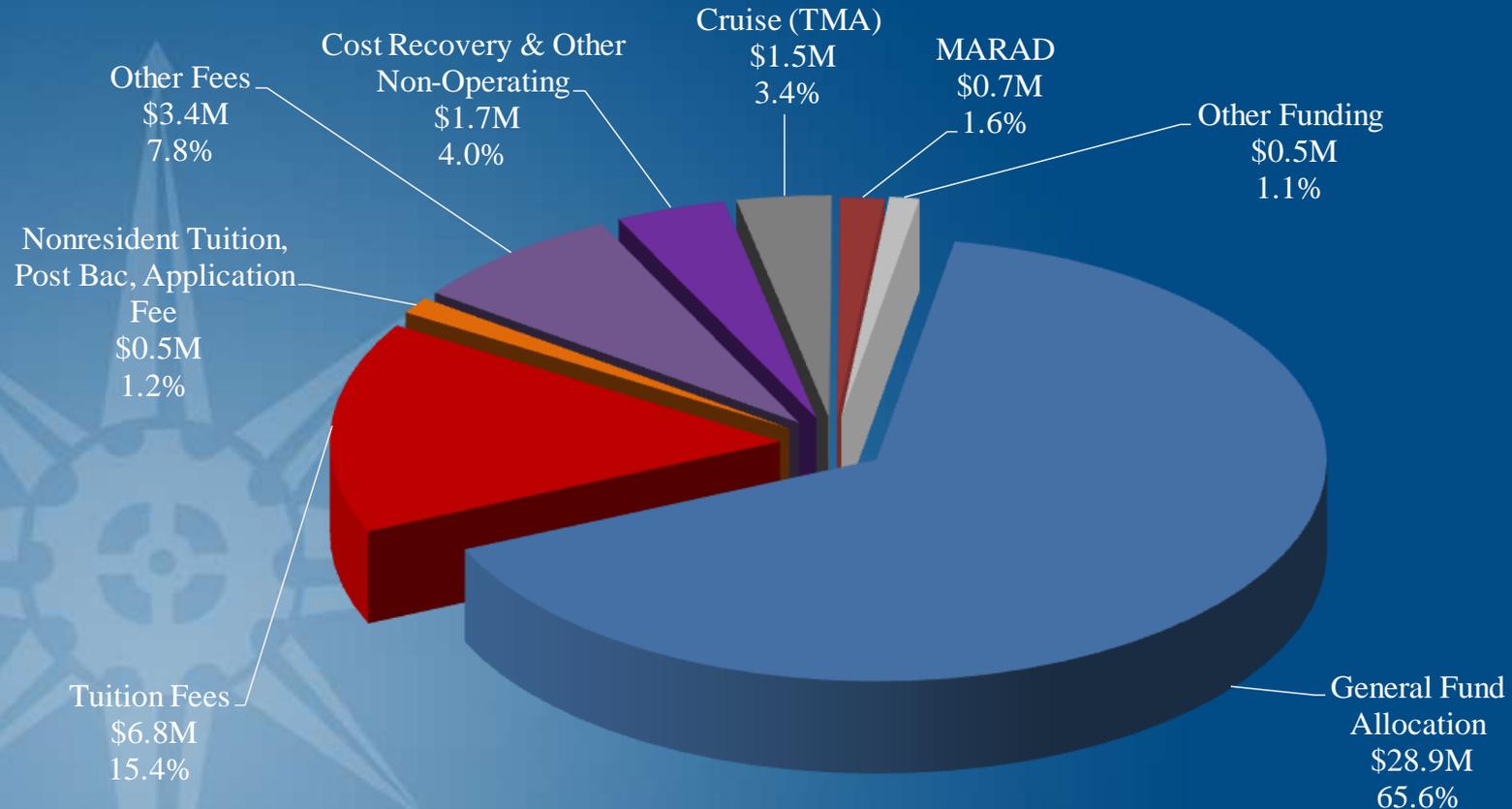
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Total Operating Budget: \$44.1M

Cal Maritime 2016-17 Projected Budget Revenues

How do we pay for it?



Total Operating Budget: \$44.1M

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