

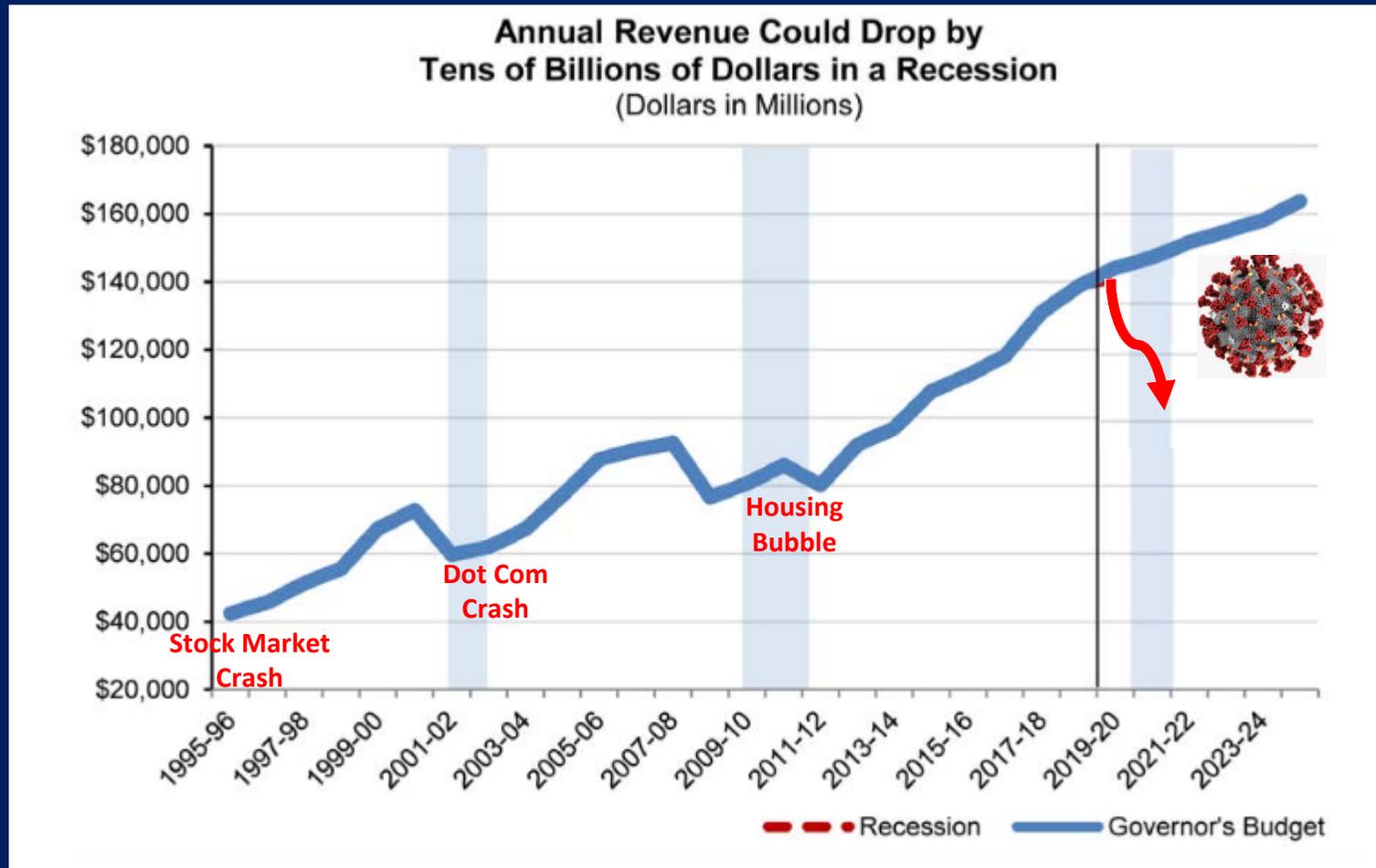


**California State University Maritime Academy
Budget Update
October 2020**

California Governor's Budget Update

July 2020

Unpredictable Capital Gains



Unpredictable Capital Gains

**Capital Gains Revenue
As a Percent of General Fund Tax Revenues**
(Dollars in Billions)

Annual Values	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 ^{est}	2019 ^{est}	2020 ^{est}
Capital Gains Realizations	\$132.0	\$56.3	\$28.8	\$55.3	\$52.1	\$99.9	\$79.9	\$115.5	\$120.1	\$113.2	\$143.6	\$153.1	\$154.9	\$151.0
Tax Revenues from Capital Gains	\$10.9	\$4.6	\$2.3	\$4.7	\$4.2	\$10.4	\$7.6	\$11.3	\$11.8	\$11.5	\$14.1	\$15.2	\$15.3	\$14.8
Fiscal Year Values	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
Tax Revenues from Capital Gains	\$9.0	\$3.9	\$3.0	\$4.5	\$6.0	\$9.6	\$8.7	\$11.5	\$11.7	\$12.3	\$14.4	\$15.2	\$15.1	\$14.7
Total General Fund Tax Revenues ^{1/}	\$101.3	\$81.7	\$86.6	\$92.0	\$85.3	\$97.6	\$103.0	\$113.8	\$118.9	\$122.1	\$135.1	\$142.9	\$148.5	\$151.7
Capital Gains Percentage	8.9%	4.7%	3.4%	4.9%	7.1%	9.8%	7.5%	10.1%	9.9%	10.0%	10.7%	10.7%	10.2%	9.7%

^{1/}Excluding transfers.

^{est}Estimated

FY 2020-21 Governor's Proposed Budget Summary of General Fund Tax Revenue Sources

(Dollars in Millions)

January Projection

	General Fund	Special Funds	Total	Change From 2019-20
Personal Income Tax	\$102,878	\$2,376	\$105,254	\$1,172
Sales and Use Tax	28,243	12,752	40,995	1,540
Corporation Tax	16,007	-	16,007	702
Highway Users Taxes	-	8,794	8,794	415
Insurance Tax	3,117	-	3,117	94
Alcoholic Beverage Taxes and Fees	389	-	389	6
Cigarette Tax	58	1,938	1,996	(9)
Motor Vehicle Fees	38	10,359	10,397	391
Other	2,864	22,118	24,982	(1,739)
Subtotal	\$153,594	\$58,337	\$211,931	\$2,572
Transfer to the Budget Stabilization Account/Rainy Day Fund	(1,959)	1,959	-	-
Total	\$151,635	\$60,296	\$211,931	\$2,572

Note: Numbers may not add due to rounding

FY 2020-21 Governor's Proposed Budget Summary of General Fund Tax Revenue Sources

(Dollars in Millions)

July Final Budget

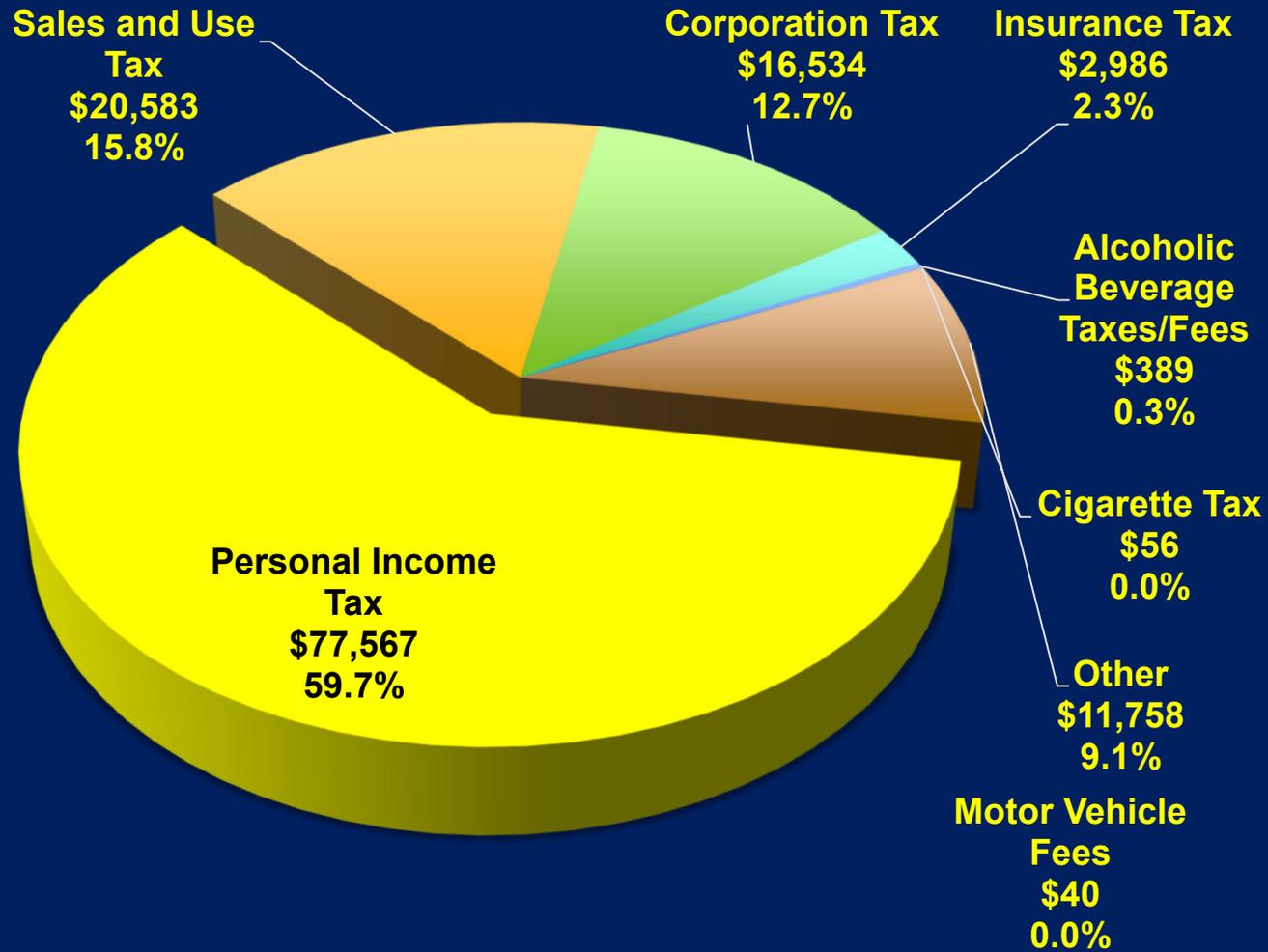
	<u>General Fund</u>	<u>Special Funds</u>	<u>Total</u>	<u>Change From 2019-20</u>
Personal Income Tax	\$77,567	\$1,874	\$79,441	\$(18,601)
Sales and Use Tax	20,583	10,025	30,608	(4,644)
Corporation Tax	16,534	-	16,534	2,665
Highway Users Taxes	-	8,124	8,124	324
Insurance Tax	2,986	-	2,986	(66)
Alcoholic Beverage Taxes and Fees	389	-	389	4
Cigarette Tax	56	1,848	1,904	(21)
Motor Vehicle Fees	40	10,004	10,044	585
Other	11,758	20,490	32,248	4,614
Subtotal	\$129,913	\$52,365	\$182,278	\$(15,140)
Transfer to the Budget Stabilization Account/Rainy Day Fund	7,806	(7,806)	-	-
Total	\$137,719	\$44,559	\$182,278	\$(15,140)

Note: Numbers may not add due to rounding

FY 2020-21 GOVERNOR'S BUDGET SUMMARY

GENERAL FUND TAX REVENUE SOURCES AND TRANSFERS*

(IN MILLIONS)



Total: \$129.9 Billion

Note: Numbers may not add due to rounding

*excludes \$7,806 million transfer from Rainy Day Fund

CSU Budget Update

- Governor's Budget – (\$299.1) million Decrease for CSU
(7.5 percent General Fund Reduction)

\$199 Million Base Adj. on-going – 5% increase
(\$498.1) Million Contingent General Fund Reduction
(If Federal Govt provides funds by Oct 15, 2020)

CALIFORNIA STATE UNIVERSITY FY 2020-21 SUPPORT BUDGET PLAN

(DOLLARS IN MILLIONS)

	<u>Nov. BOT Request</u>	<u>FINAL Budget</u>
Student Success and Completion Initiatives	\$105.0	
Compensation	139.8	
Mandatory Costs Increase (health benefits, retirement, min wage, maintenance)	64.9	
Enrollment Growth (5% -18,207 FTES) (2.7%-10,000 FTES)	248.6	
Rapid Rehousing Efforts (Asst Homeless/Housing Insecure Students)	15.0	
Academic Facilities & Infrastructure Needs	75.0	
Base Adjustments	-	199.0
Contingent GF Reductions (Federal Gov. Funds Oct. 15)	-	(498.1)
Total Increase in Expenditures - Recurring	\$ 648.3	(\$299.1)

Note: Numbers may not add due to rounding

**Cal Maritime
Brief Budget Background**

Enrollment Revenue



Base Allocation + Tuition Fees =

Total Revenue from Enrollment

Enrollment Revenue



Base Allocation

- Distributed July 1 for fiscal year
- Based on Annualized FTE Target (1,418)
 - Resident FTE only
- Penalty for not reaching target = Base allocation potentially reduced following year
- Presidents are responsible for achieving target

Enrollment Revenue



Tuition Fees

- Headcount x fees = Revenue
- Full-time Fee Rate (excluding local and professional fees)
 - Undergraduate = \$2,871/semester
 - Graduate = \$3,588/semester
 - Credential = \$3,330/semester
- Part-time fees are less (42.0% undergrad; 42.0% grad)
- Nonresident fees = \$396/unit additional
- Fewer students = Reduced revenue from tuition

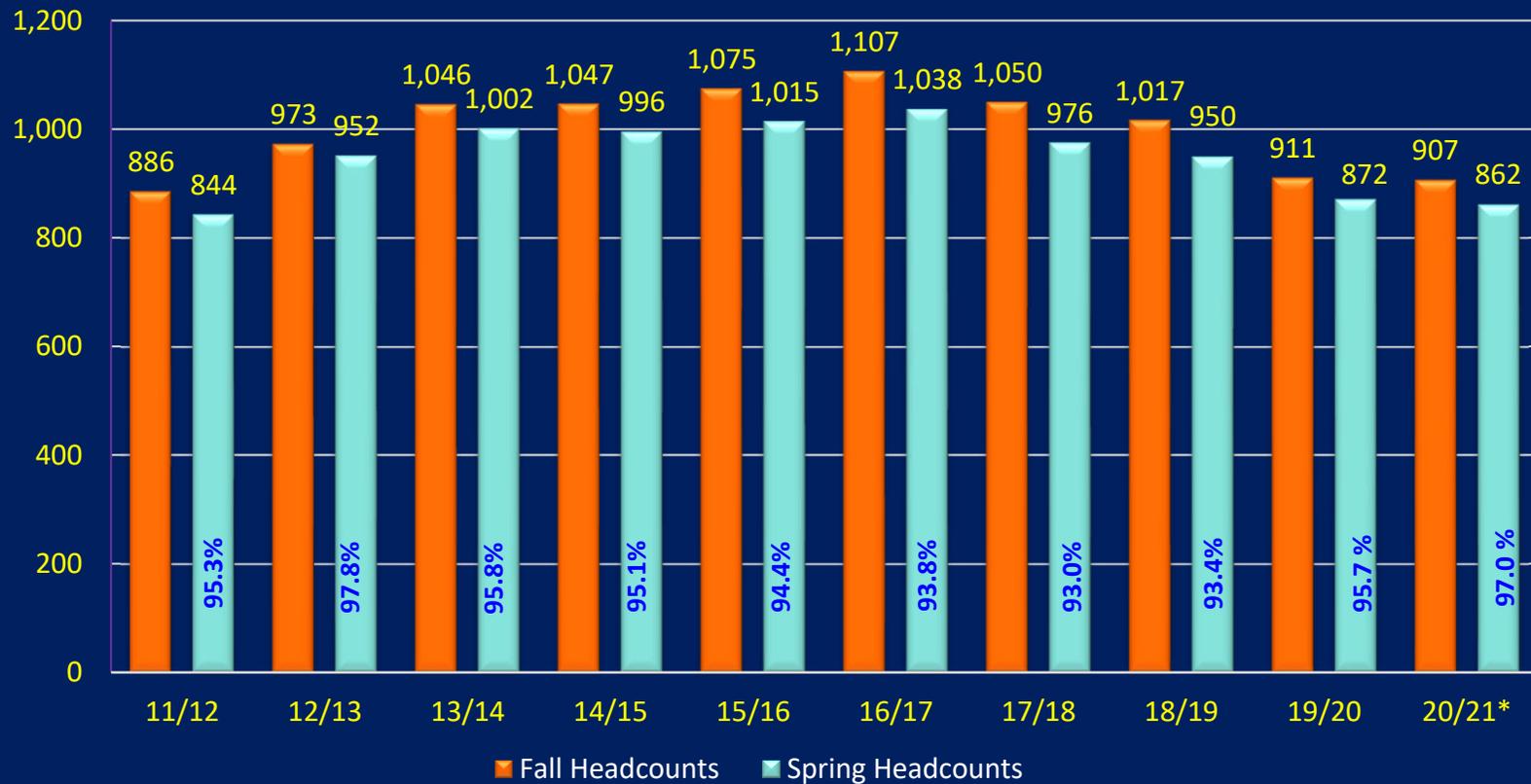
Enrollment Revenue



FTE Calculation

- Undergrad/Credential = Total units taken by all undergrads / 15
- Graduate = Total units taken by all graduate students / 12
- (Summer FTE + Fall FTE + Spring FTE) / 2
- Average unit load is critical to achieve FTE target

Cal Maritime Fall and Spring Headcounts



• projected

Students Headcount Fall 2013 - Fall 2020



	2013	2014	2015	2016	2017	2018	2019	2020 *
■ Continuing	744	736	743	761	753	724	634	638
■ New Students	302	311	327	346	297	293	277	269

* As of 10-13-2020

Cost of Attendance



<https://www.csum.edu/web/financial-aid/cost-of-attendance.html>

Estimated Cost to Attend for California Residents

The Cost Of Attendance (COA) is what we estimate it to cost to attend Cal Maritime for the academic year.

The only "direct billed" costs (items that the campus will charge you for directly) are tuition and fees, but this is an estimate and your actual costs may be higher or lower than what we estimate. This can be useful in

2020-21 Estimated Cost Of Attendance for California Residents

Entering Undergraduate Students

	On Campus	Off Campus	With Parents or Relatives
Tuition****	\$5,742	\$5,742	\$5,742
Campus Fees*	\$1,418	\$1,418	\$1,418
Room/Board	\$12,712	\$14,956	\$8,804
Medical Insurance**	\$1,822	\$1,822	\$1,822
Books/Supplies	\$1,200	\$1,200	\$1,200
Transportation	\$864	\$1,404	\$1,654
Personal/Misc	\$2,000	\$2,602	\$2,398
Loan Fees***	\$50	\$50	\$50
Estimated Uniform Expenses	\$2,384	\$2,384	\$2,384
Orientation Fee	\$385	\$385	\$385
Total	\$28,577	\$31,963	\$25,857

Enterprise Services (Non General Fund)



Estimated Cost to Attend		
The Cost Of Attendance (COA) is what we estimate...		
The only "direct billed" costs (items that the college bills you directly) are an estimate and your actual costs may be higher.		
2020-21 Estimated Cost Of Attendance for		
Entering Undergraduate Students		
	On Campus	Off Campus
Tuition****	\$5,742	
Campus Fees*	\$1,418	
Room/Board		\$12,712

Housing and Dining

Beds Available		Cost/Room and Board	Total	Variance
* ~938 (max cap)	x	\$12,712	\$11,923,856	
750 (avg)	x	\$12,712	\$9,534,000	
500 (COVID scenario)	x	\$12,712	\$6,356,000	- \$3,178,000

If we go down from 750 person occupancy (average) to 500 occupancy = a net loss of 3.2 million dollars

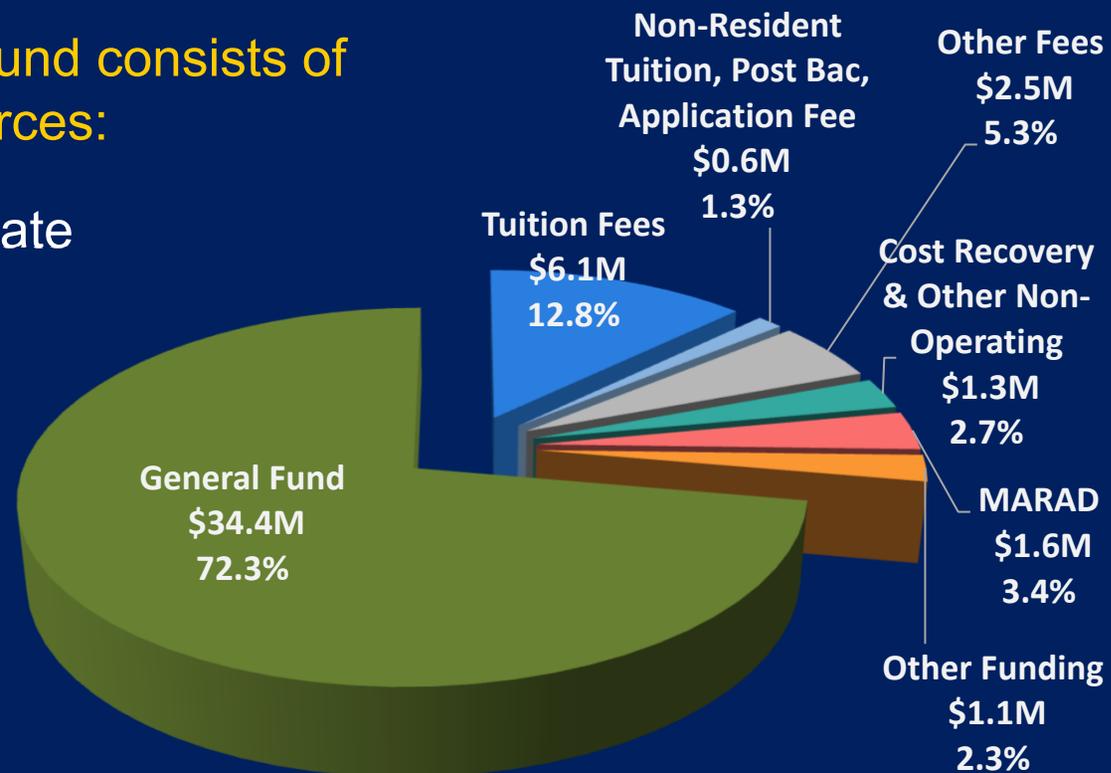
* Figures have been revised from previous versions to reflect latest availability

Cal Maritime Academy 2020-21 General Fund Budget Revenue Sources

Understanding the University's Budget

General (Operating) Fund consists of two major funding sources:

- General Fund or State Appropriations
- Tuition Fees



Cal Maritime Academy 2020-21 Enterprise and Auxiliary Funds Budgets

The campus operating budget consists of multiple components that are administered as separate budgets due to the nature of their funding and restrictions

Revenue Sources:

Education Learning

Revenue sources: course revenue and non-course revenues

Golden Bear Research Center

Revenue sources: grants and contract, external funding

Dining

Revenue sources: student meal plans & other revenues

Housing

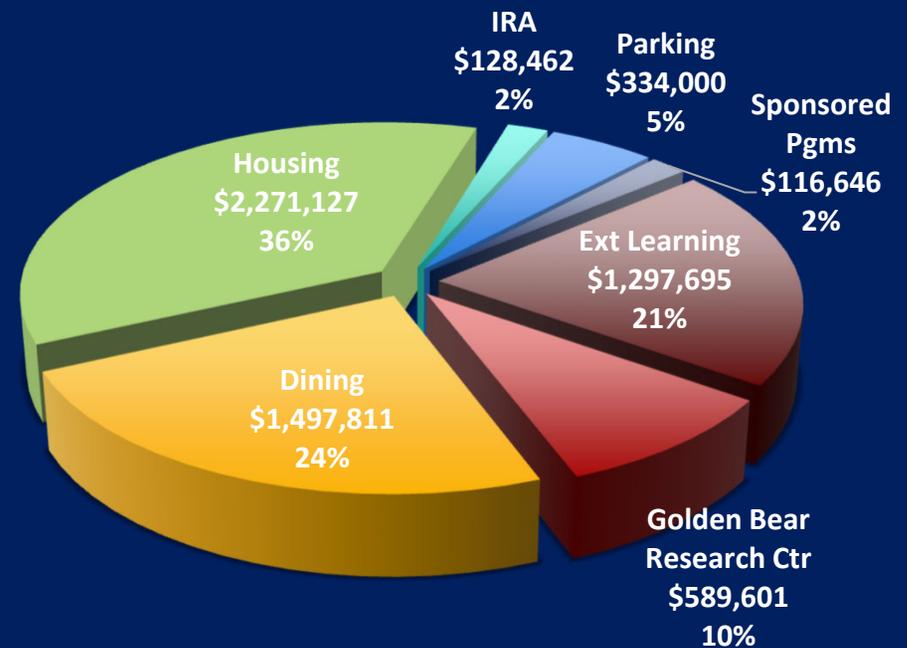
Revenue sources: residence halls, conference, other revenues

Parking

Revenue sources: parking fees, permits, and citations

Auxiliary Organizations

ASCMA
Foundation





FEDERAL

MARAD

- Annual Operations
- Yard Maintenance
- Ship Repair
- SSOP (S)
- Surplus Ship Sales

FEDERAL FINANCIAL AID

- Pell (S)
- FSEOG (S)
- Loans (S)
- Work Study

GRANTS

- National Science Foundation
- National Endowment for the Humanities
- Dept. of Education
- Dept. of Defense
- Dept. of Homeland Security
- Other Agencies



STATE

CSU

- Salary & Benefits
- Operations & Expenses (O&E)
- State University Grant (SUG)

CAPITAL PROJECTS

- Academic Buildings
- Campus Safety
- Infrastructure
- Major Equipment

SPECIAL PROJECTS

- Grad Initiative 2025
- EOP
- Student Success
- Sustainability

FINANCIAL AID

- Cal Grant

GRANTS

- CARB
- California Energy Commission
- Cal State Transportation Agency
- Cal State Coastal Conservancy
- Governor's EOC



CAL MARITIME ENTERPRISE

HOUSING

- Cost Share
- Residence Halls
- Residence Life Programming (S)

GOLDEN BEAR RESEARCH (POSTAWARD)

DINING SERVICES

- Retail Outlets
- Cost Share

CONFERENCE & EVENTS

BOOK STORE

- Student Stipends (S)



CAL MARITIME FOUNDATION

ANNUAL

- Alumni Association
- Merit & Need Scholarships (S)
- Special Projects
- Student/Faculty Programs
- CMAF O&E

ENDOWMENT

- Scholarships (S)
- Academic Program Support
- Professorships
- Athletic Program Support
- Student Life Program Support

CAPITAL PROJECTS

- Non-academic Buildings
- Classroom & Facility Upgrades

TRUSTS (Restricted)

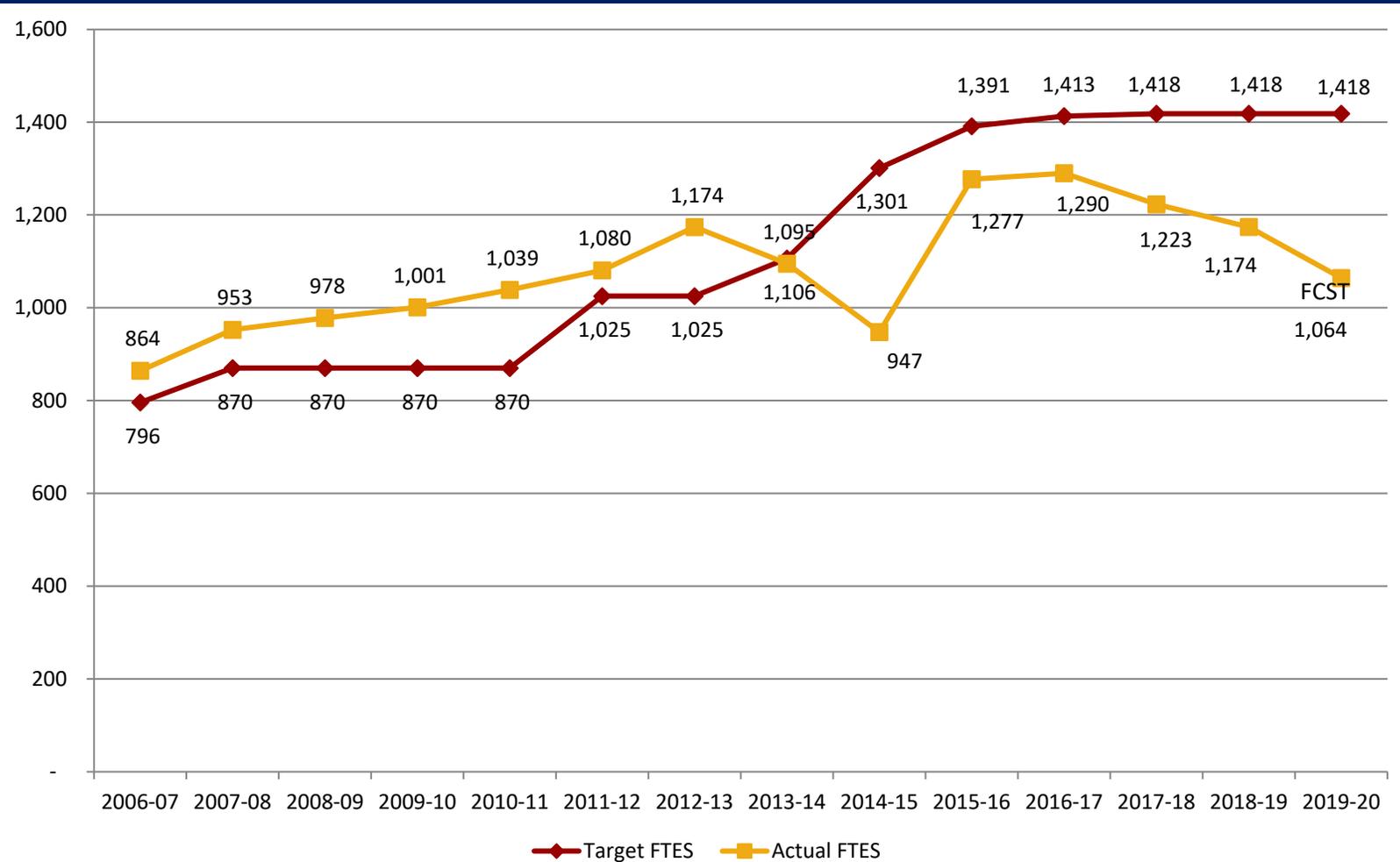
- Academic Program Projects

Green - Recurring \$
 Blue - One Time \$
 (S) - Directly Supports Individual Students



Cal Maritime Budget Update

FTES Resident Enrollment 2006-2019 College Year



Cal Maritime

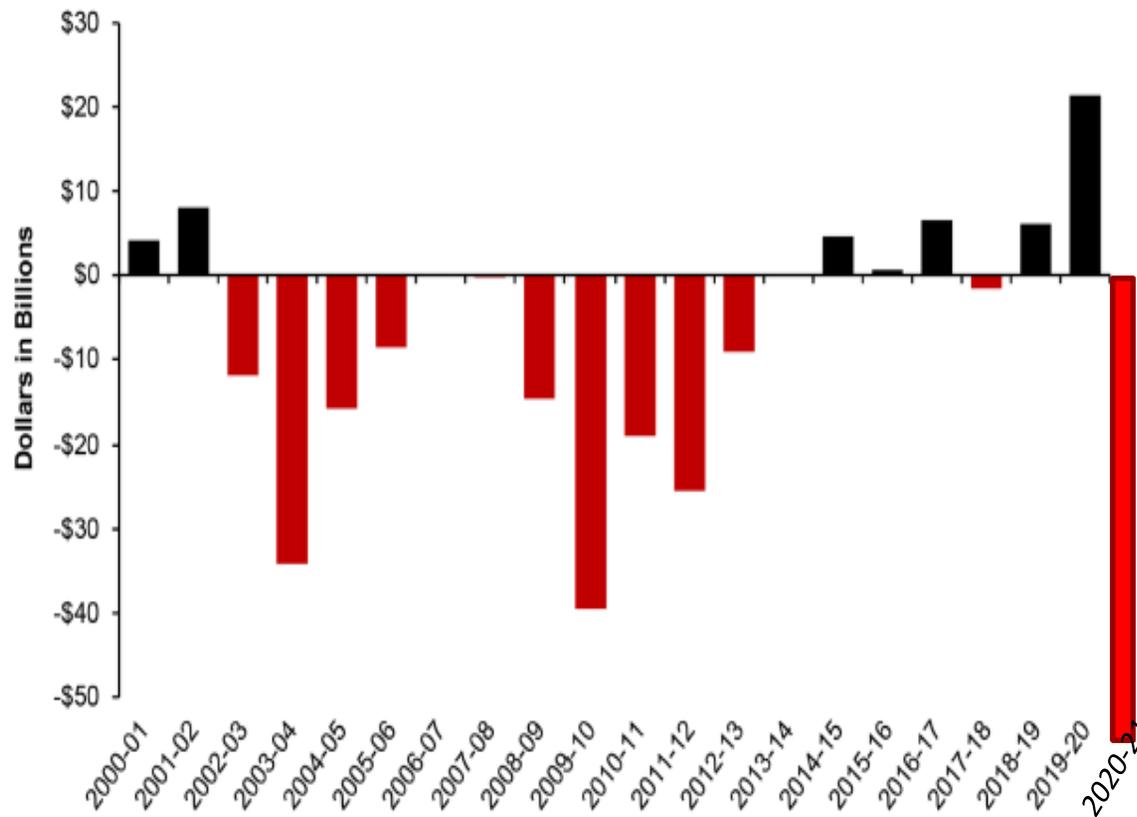
General Fund Enrollment Funding

ATTACHMENT C - 2019-20 Expenditure and Revenue Adjustments 2019-20 Final Budget Allocations

	<u>Expenditure Adjustments</u>		
	<u>Enrollment Funding</u>		
	(8)		
	Funded Enrollment Growth	2019-20 FTEs Target Increase	Funded Enrollment Growth
	(\$11,322 * Attach. D, Col. 2)		(\$11,322 * Attach. D, Col. 2)
Bakersfield	\$5,265,000	465	11,323
Channel Islands	3,917,000	346	11,321
Chico	3,510,000	310	11,323
Dominguez Hills	7,337,000	648	11,323
East Bay	2,151,000	190	11,321
Fresno	6,906,000	610	11,321
Fullerton	6,567,000	580	11,322
Humboldt			
Long Beach	8,197,000	724	11,322
Los Angeles	5,604,000	495	11,321
Maritime			
Monterey Bay	3,306,000	292	11,322
Northridge	7,857,000	694	11,321
Pomona	5,820,000	514	11,323
Sacramento	7,857,000	694	11,321
San Bernardino	5,536,000	489	11,321
San Diego	6,929,000	612	11,322
San Francisco	5,469,000	483	11,323
San Jose	6,442,000	569	11,322
San Luis Obispo	2,887,000	255	11,322
San Marcos	5,253,000	464	11,321
Sonoma	2,096,000	185	11,330
Stanislaus	4,314,000	381	11,323
Campus Total	113,220,000	10,000	

FY 2020-21 Governor's Proposed Budget

Balanced Budgets Have Been Quickly Followed by Huge Deficits^{1/}



^{1/} Budget shortfalls or surplus, measured by the annual Governor's Budget.

State University Fee History

Full Time (6.1 or more units)

	Undergrad	\$	
2019/20	\$ 5,742	\$ -	0.000%
2018/19	\$ 5,742	\$ -	0.000%
2017/18	\$ 5,742	\$ 270	4.934%
2016/17	\$ 5,472	\$ -	0.000%
2015/16	\$ 5,472	\$ -	0.000%
2014/15	\$ 5,472	\$ -	0.000%
2013/14	\$ 5,472	\$ -	0.000%
2012/13	\$ 5,472	\$ -	0.000%
2011/12 **	\$ 5,472	\$ 588	12.039%
2011/12	\$ 4,884	\$ 444	10.000%
2010/11 **	\$ 4,440	\$ 210	4.965%
2010/11	\$ 4,230	\$ 204	5.067%
2009/10 **	\$ 4,026	\$ 672	20.036%
2009/10	\$ 3,354	\$ 306	10.039%
2008/09	\$ 3,048	\$ 276	9.957%
2007/08	\$ 2,772	\$ 252	10.000%
2006/07	\$ 2,520	\$ -	0.000%
2005/06	\$ 2,520	\$ 186	7.969%
2004/05	\$ 2,334	\$ 288	14.076%
2003/04 **	\$ 1,572	\$ 144	10.084%
2001/02	\$ 1,428		

** Fee increase in Spring

CSU Maritime Academy

Budget Process

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

- ✓ Prior year' 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
- ✓ Further discussion and review at President's Leadership Offsite
- ✓ 2020-21 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 for new educational master plan (EMPG)

FY 2020-21 Campus Funding Requests

FY20/21 Funding Priorities

No	Div	Type	Description	Justification	One-Time	Salaries & Benefits	Op Exp	TOTAL	Total Perm	Total One-Time
1	AA	Personnel	Transfer Recruiter/Communications Specialist (incl. benefits)	Strategic Plan		\$85,680		\$85,680		
2	AA	Operations	Slate CRM	Strategic Plan			\$25,000	\$25,000		
3	AA	Operations	Web-based Virtual Tour Product	Strategic Plan			\$4,000	\$4,000	\$114,680	
4	SA	Operations	Aquatic pool covers and New floor markings for NAIA rule changes	Required	\$45,000			\$45,000		
5	SA	Operations	Support essential DSO operation, annual maint.	Required			\$7,000	\$7,000		
6	SA	Operations	Academic Excellence - Commencement Activities	Strategic Plan			\$15,000	\$15,000		
7	SA	Personnel	Personnel Adjustment			\$16,000		\$16,000	\$38,000	\$45,000
8	AW	Operations	Utility Rate Increases	Operations			\$300,000	\$300,000	\$300,000	
Total Requests					\$45,000	\$101,680	\$351,000	\$497,680	\$452,680	\$45,000

FY 2020-21 General (Operating) Fund Budget

Sources:

Adjusted Allocation State Appropriation	\$ 36,943,076
Retirement Adjustment	277,000
Tuition GF Adjustment	(661,000)
State University Grant Systemwide Redistribution	(91,800)
Unallocated Reduction	(2,024,276)
General Fund Appropriations Total	\$ 34,443,000

Receipts and Other Sources

Tuition Fee	6,090,330
Non-resident Tuition Fee	493,020
Post Baccalaureate Fee	38,718
Application Fee	62,150
Other Revenues	3,154,007
Cost Recovery Plan	492,000
Medical Insurance	715,000
Other Non-Operating Revenues	50,846
MARAD	1,630,000
Lottery, Interest	151,000
IRA	40,000
Campus Rec Fee	218,250
Workstudy	25,077
Receipts & Other Sources	\$ 13,160,398

Total Sources

\$ 47,603,398

Uses:

Academic Affairs	\$ 11,025,437
Administration & Finance	7,831,472
President	2,525,205
Marine Programs	3,395,981
Student Affairs	3,103,093
University Advancement	1,325,337
Cabinet Total	\$ 29,206,525

Academy Wide

Benefits Pool	12,913,522
Emergency, Contingency, Campus Initiatives	54,862
Campus Projects	160,000
IT Computer Refresh Program	40,000
Firefighting	135,000
Medical Insurance	715,000
State University Grant	1,755,000
FSEOG Campus Match	22,310
Scholarships - Lottery	17,500
Telecommunications	49,555
Communications-Mail Services	19,047
Utilities	1,725,000
Print /Copy	90,000
Risk Management	675,000
Workstudy	25,077

Academy Wide Total \$ 18,396,873

Total Uses

\$ 47,603,398

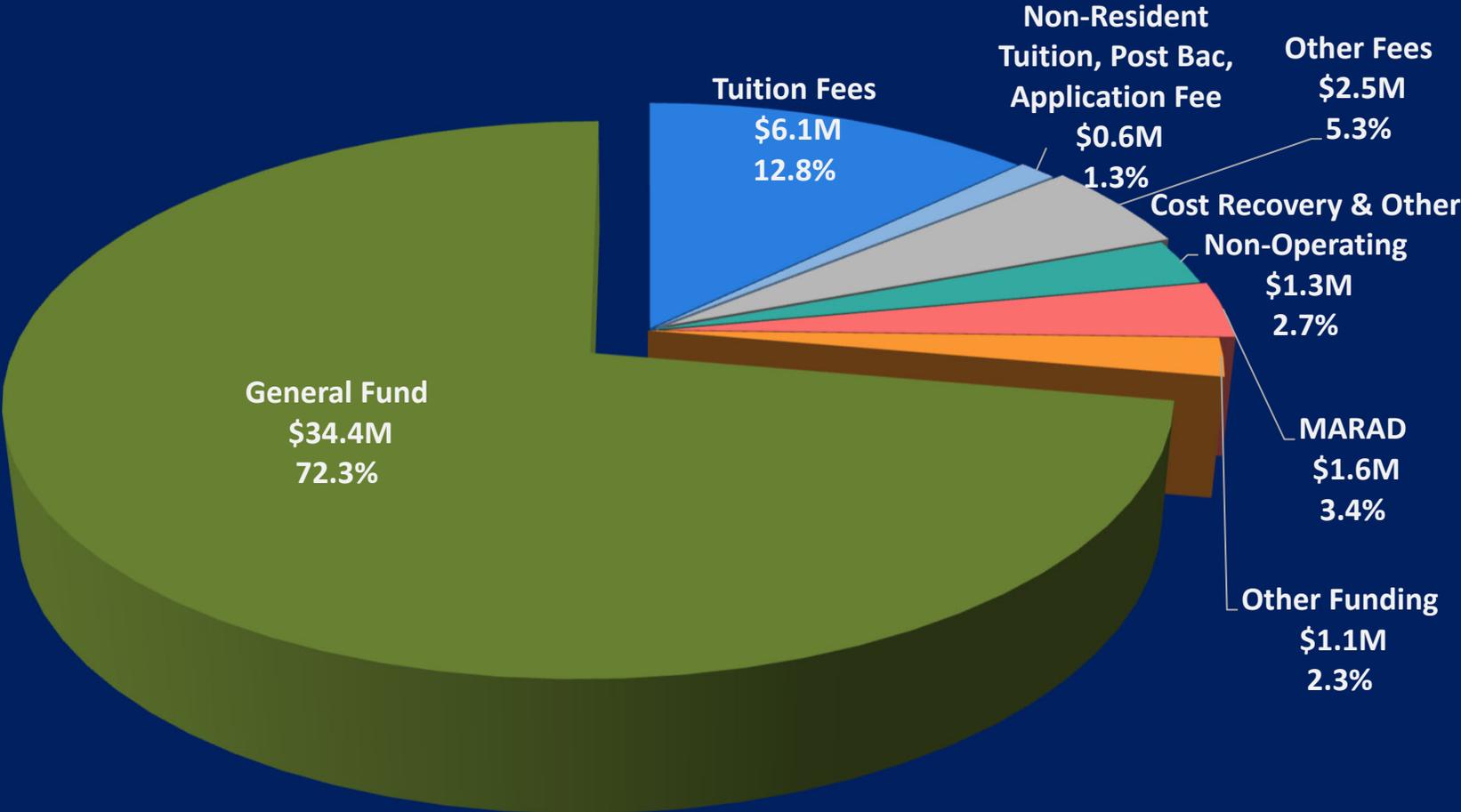
FY2019-20 vs FY2020-21 General Fund Budget Sources

	<u>FY19-20</u>	<u>FY20-21</u>	<u>Variance</u>	
Budgeted Resident FTES	1,418	1,418		
Sources:				
Adjusted Allocation State Appropriation	\$ 34,826,276	\$ 36,943,076		
Retirement Adjustment	342,000	277,000		
Benefits - Health & Dental	51,000			
Enrollment	22,000			
Operations & Maintenance of New Facilities	45,000			
Compensation 2019-20	1,092,000			
Graduation Initiative	662,000			
State University Grant (SUG) Systemwide Redistribution	(97,200)	(91,800)		
Tuition GF Adjustment	-	(661,000)		
Unallocated Reduction	-	(2,024,276)		
State Appropriations	\$ 36,943,076	\$ 34,443,000	\$ (2,500,076)	-6.8%
Receipts and Other Sources				
Tuition Fee	\$ 6,276,270	\$ 6,090,330	(185,940)	
Non-resident Tuition Fee	493,020	493,020	-	
Post Baccalaureate Fee	38,718	38,718	-	
Application Fee	62,150	62,150	-	
Other Revenues	2,359,816	2,311,566	(48,250)	
Cost Recovery Plan	1,985,000	492,000	(1,493,000)	
Medical Insurance	715,000	715,000	-	
Other Non-Operating Revenues	271,646	50,846	(220,800)	
MARAD	1,630,000	1,630,000	-	
Lottery, Interest	120,000	151,000	31,000	
IRA	80,000	40,000	(40,000)	
Campus Rec Fee	233,500	218,250	(15,250)	
Workstudy	32,238	25,077	(7,161)	
One-time Funds	-	842,441	842,441	
Receipts & Other Sources	\$ 14,297,358	\$ 13,160,398	\$ (1,136,960)	-8.0%
Total Sources	\$ 51,240,434	\$ 47,603,398	\$ (3,637,036)	-7.1%

FY2019-20 vs FY2020-21 General Fund Budget Uses

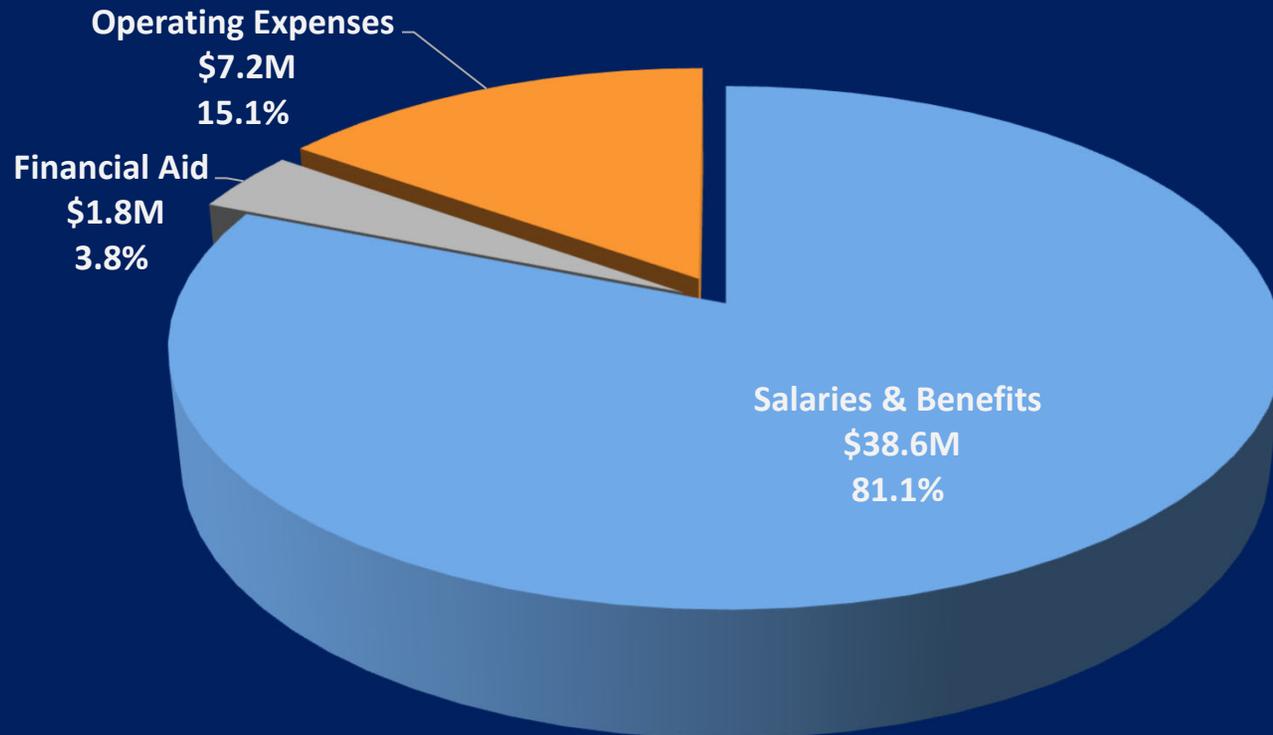
<u>Uses</u>	<u>FY19-20</u>	<u>FY20-21</u>	<u>Variance</u>	
Academic Affairs	\$ 11,973,854	\$ 11,025,437		
Administration & Finance	8,301,167	7,831,472		
President	1,535,275	2,525,205		
Marine Programs	4,067,439	3,395,981		
Student Affairs	4,575,446	3,103,093		
University Advancement	1,383,238	1,325,337		
Divisions	\$ 31,836,419	\$ 29,206,525	\$ (2,629,894)	-8.3%
 <u>University Wide</u>				
Benefits Pool	\$ 12,521,488	\$ 12,913,522		
Emergency, Contingency, Campus/Strategic Initiatives	462,590	54,862		
Compensation 2019-20	1,034,000	-		
Campus Projects	151,306	160,000		
IT Computer Refresh Program	40,000	40,000		
Firefighting	135,000	135,000		
Medical Insurance	715,000	715,000		
State University Grant	1,846,800	1,755,000		
FSEOG Campus Match	22,310	22,310		
Scholarships	17,500	17,500		
Telecommunications	49,555	49,555		
Communications-Mail Services	19,047	19,047		
Utilities	1,575,000	1,725,000		
Print /Copy	90,000	90,000		
Risk Management	692,181	675,000		
Workstudy	32,238	25,077		
Academy Wide	\$ 19,404,015	\$ 18,396,873	\$ (1,007,142)	-5.2%
Total Uses	\$ 51,240,434	\$ 47,603,398	\$ (3,637,036)	-7.1%

Cal Maritime FY 2020-21 Operating Budget Revenue Sources



Total Operating Budget: \$47.6 M

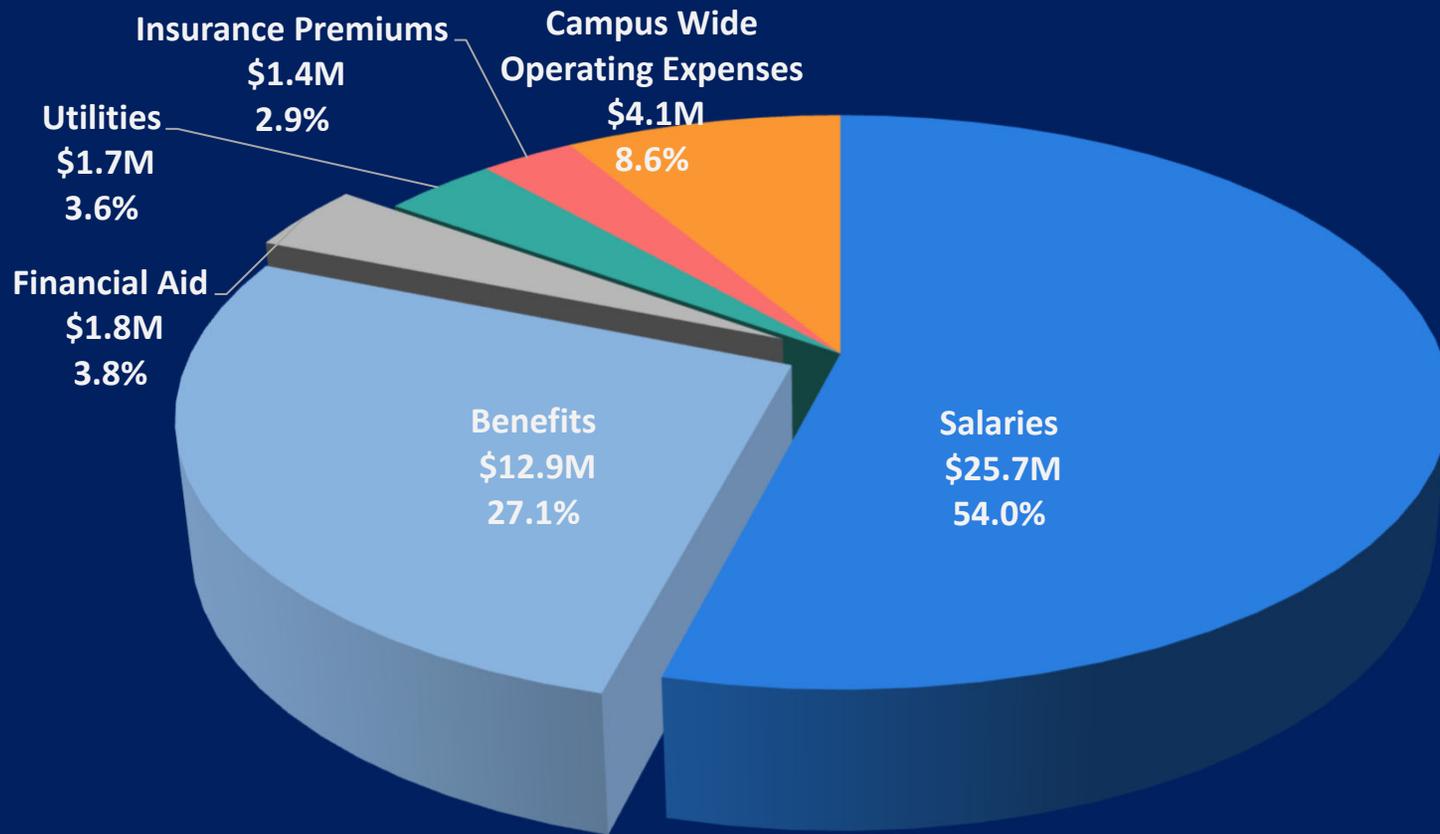
Cal Maritime FY 2020-21 Operating Budget



\$34.4M State Appropriation

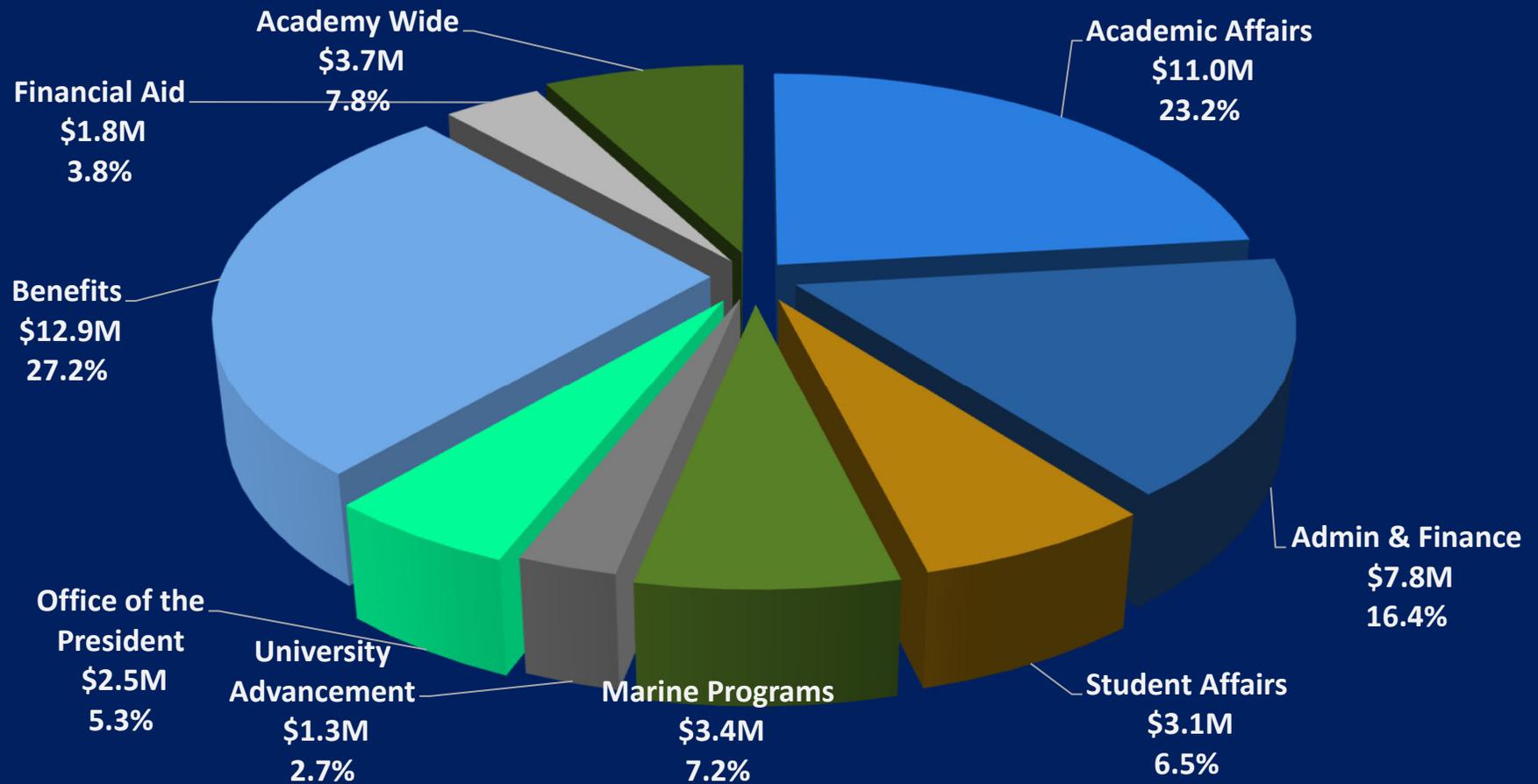
Total Operating Budget: \$47.6 M

Cal Maritime FY 2020-21 Operating Budget



Total Operating Budget: \$47.6 M

Cal Maritime FY 2020-21 Operating Budget By Cabinet Area



Total Operating Budget: \$47.6 M

Cal Maritime CARES Funding (COVID-19)

\$977,757 Total Campus Allocation

1st Half: (\$488,879) Emergency Financial Aid Grants to
Students, processed April 30, 2020

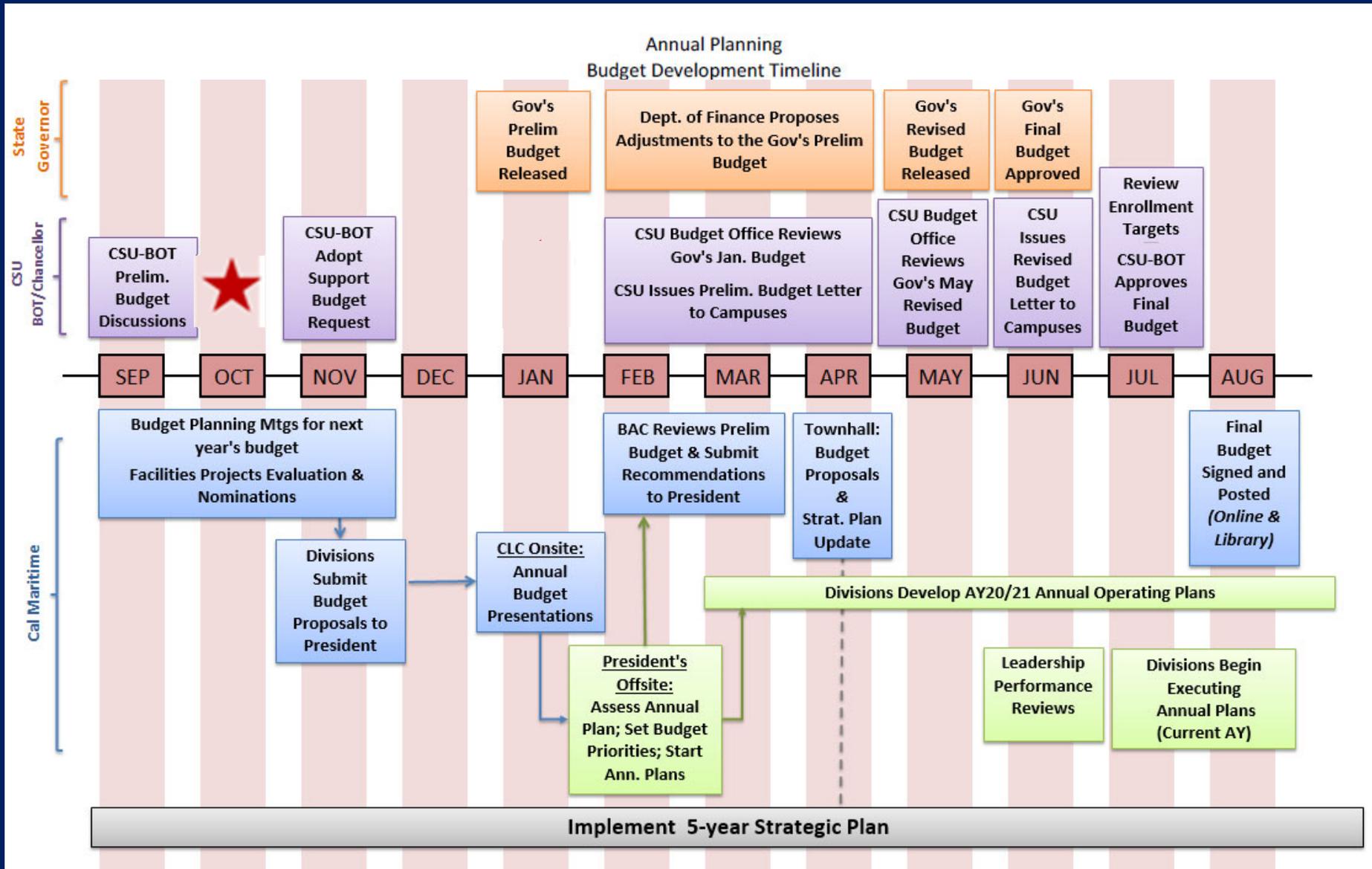
2nd Half: (\$488,878) Used to Offset University Expenditures

\$334,581 F2F Instruction (Phase 1-Phase 3)

\$196,541 Estimated Expenditures as of Sept. 2020

(\$42,244) Unfunded Expenditures as of Sept. 2020

Cal Maritime Budget Process



THANK YOU