

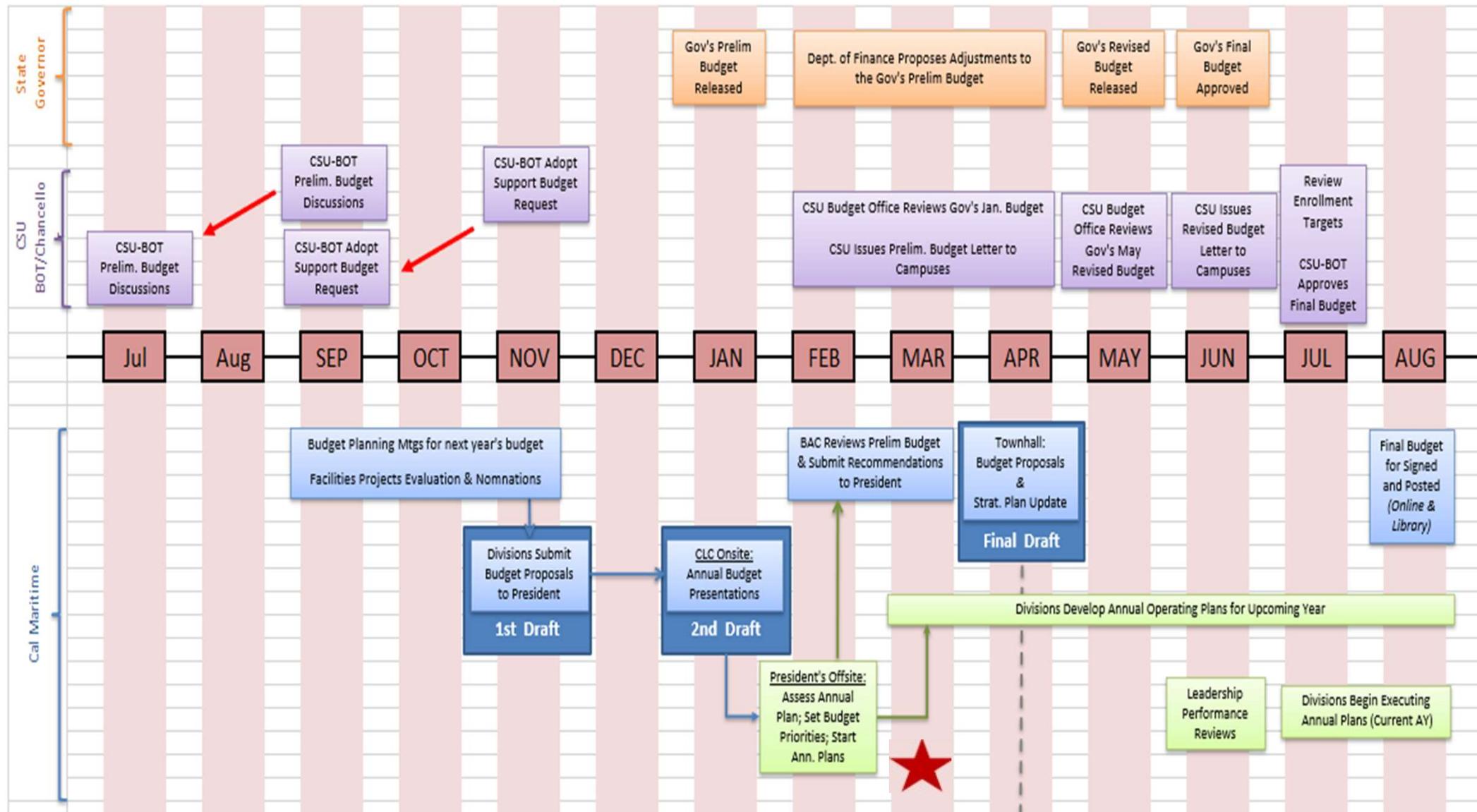
CSU MARITIME ACADEMY FY 2023-24 BUDGET PLANNING Update

3/03/2023
Budget Advisory Committee



CAL MARITIME BUDGET PROCESS

Cal Maritime Annual Planning & Budget Development Timeline

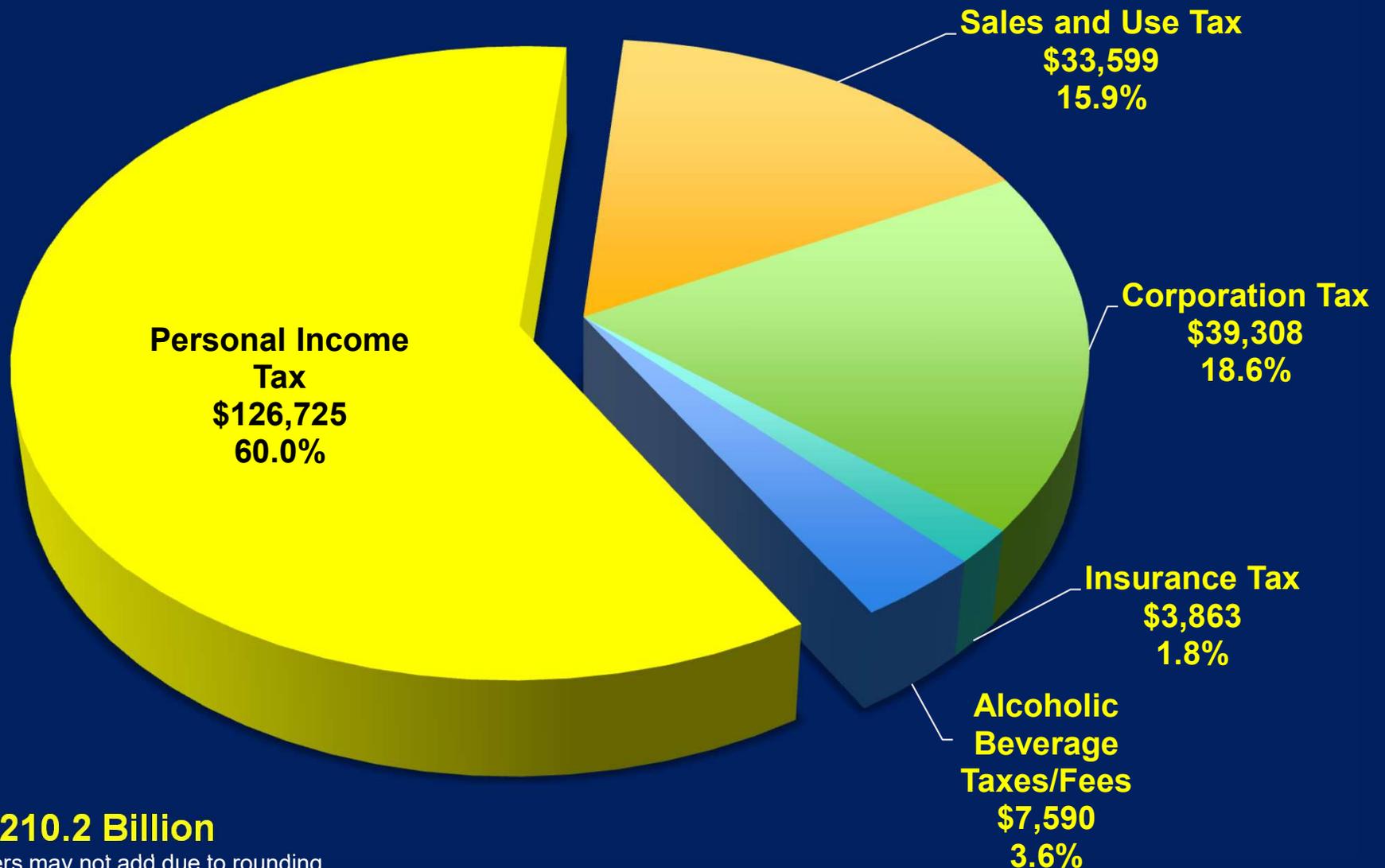


STATE OF CALIFORNIA

FY 2023-24 GOVERNOR'S BUDGET SUMMARY

GENERAL FUND TAX REVENUE SOURCES AND TRANSFERS*

(DOLLARS IN MILLIONS)



Total: \$210.2 Billion

Note: Numbers may not add due to rounding

Source: <https://ebudget.ca.gov/2023-24/pdf/BudgetSummary/SummaryCharts.pdf>

*includes \$911 million transfer to Rainy Day Fund

UNPREDICTABLE CAPITAL GAINS

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

Calender Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 ^{e/}	2022 ^{e/}	2023 ^{e/}
Capital Gains Realizations	\$29	\$55	\$52	\$100	\$80	\$116	\$120	\$113	\$144	\$154	\$145	\$203	\$293	\$198	\$174
Tax Revenues from Capital Gains	\$2.3	\$4.7	\$4.2	\$10.4	\$7.6	\$11.3	\$11.8	\$11.5	\$14.1	\$15.4	\$14.5	\$20.3	\$30.4	\$20.2	\$17.6
Fiscal Year	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21	21-22 ^{e/}	22-23 ^{e/}	23-24 ^{e/}
Tax Revenues from Capital Gains	\$3.0	\$4.5	\$6.0	\$9.6	\$8.7	\$11.5	\$11.7	\$12.3	\$14.4	\$15.1	\$16.3	\$23.6	\$27.4	\$19.4	\$17.4
Total General Fund Tax Revenues ^{1/}	\$87	\$92	\$85	\$98	\$103	\$114	\$119	\$122	\$135	\$144	\$145	\$187	\$223	\$211	\$210
Capital Gains Percentage	3.4%	4.9%	7.1%	9.8%	8.5%	10.1%	9.9%	10.0%	10.7%	10.4%	11.2%	12.6%	12.3%	9.2%	8.3%

^{e/} Estimated

^{1/} Excluding transfers

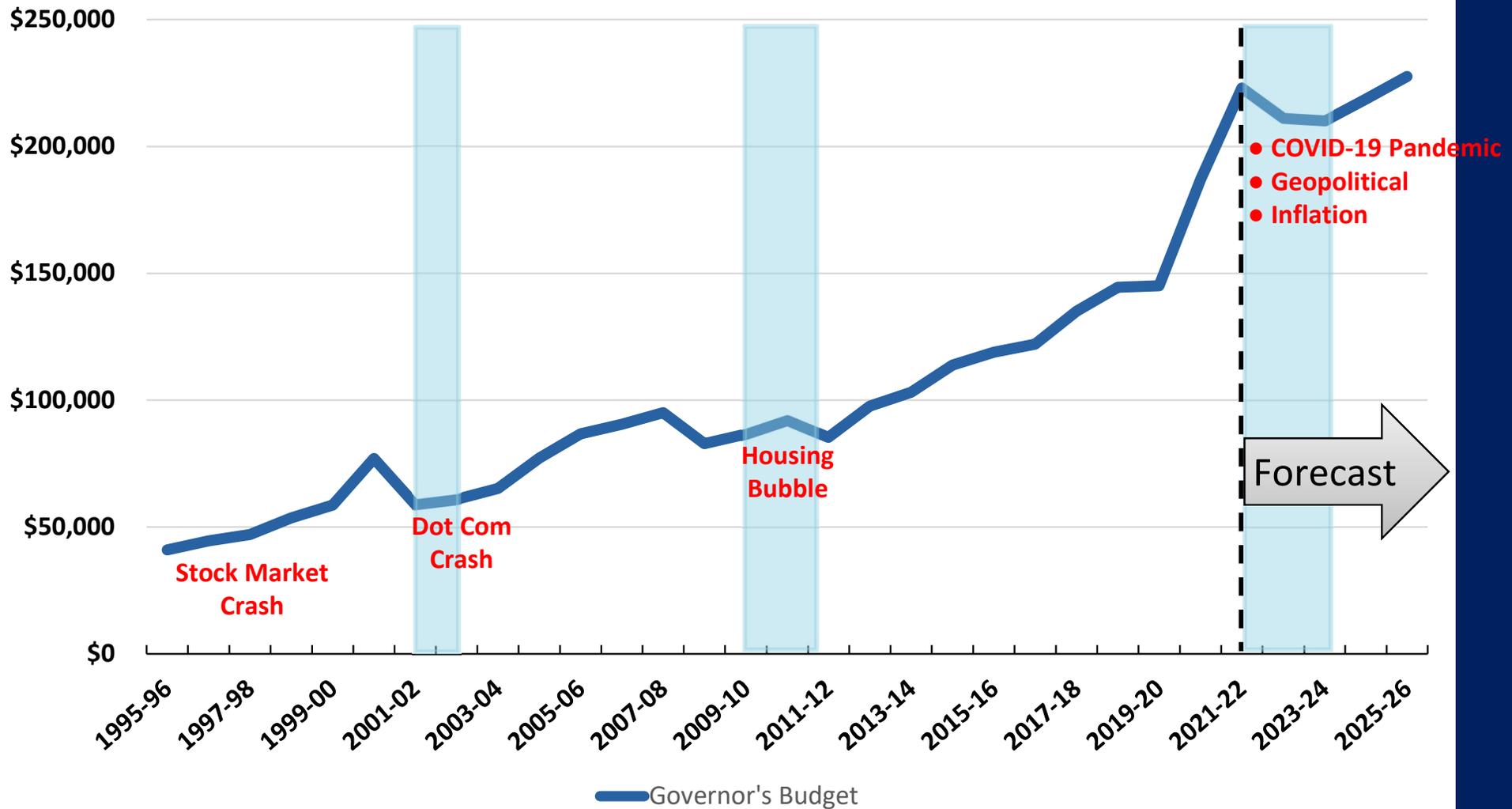
Source: California Department of Finance, 2023-24 Governor's Budget Forecast.

Note: Numbers may not add due to rounding

Source: Governor's Budget 2023-24 (Proposed Budget Summary) <https://ebudget.ca.gov/2023-24/pdf/BudgetSummary/RevenueEstimates.pdf>

UNPREDICTABLE CAPITAL GAINS

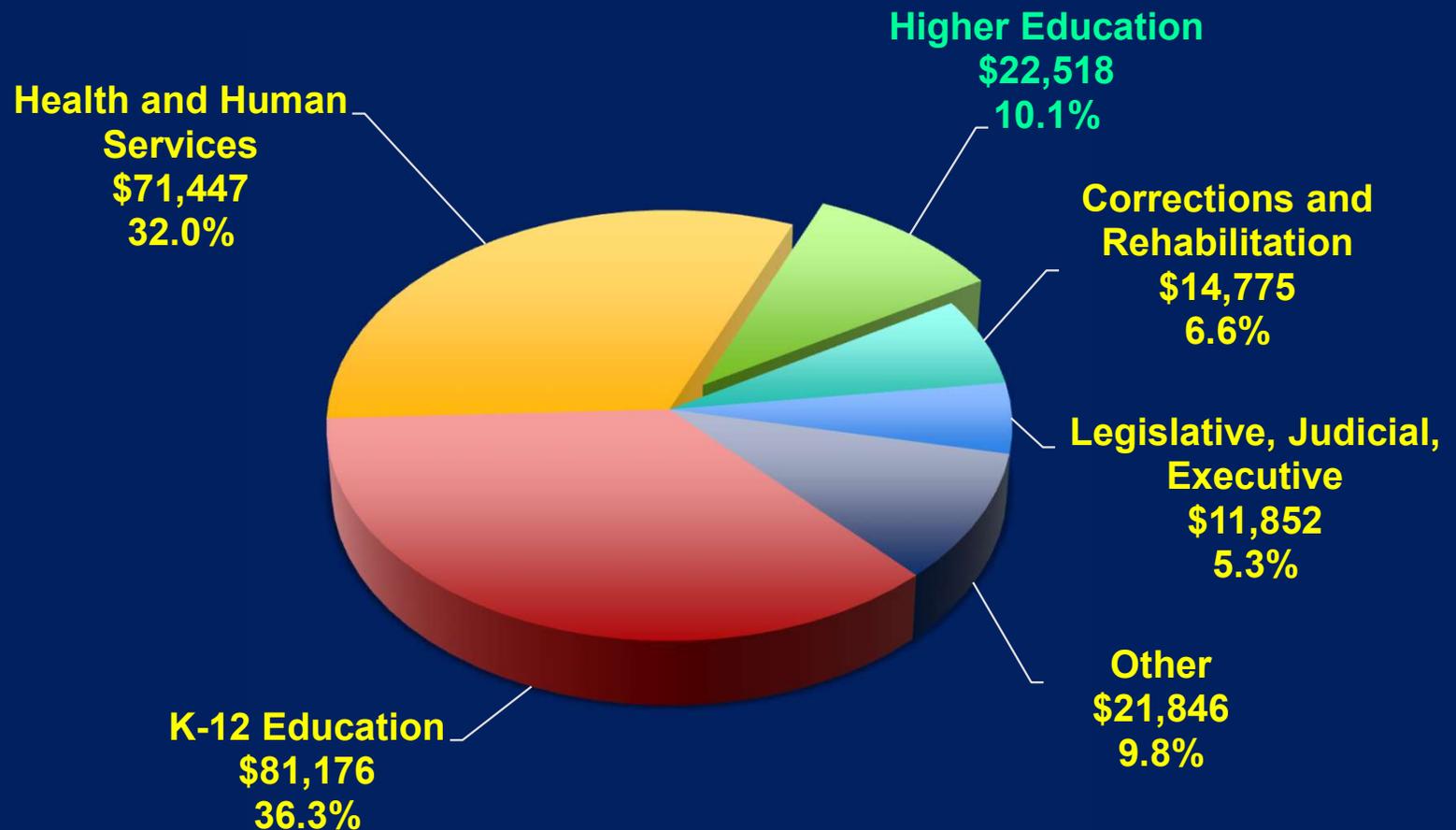
Annual Revenue Could Drop by
Tens of Billions of Dollars in a Typical Recession Scenario
(Dollar in Millions)



FY 2023-24 GOVERNOR'S BUDGET SUMMARY

GENERAL FUND EXPENDITURES BY AGENCY

(DOLLARS IN MILLIONS)



Total: \$223.6 Billion

Note: Numbers may not add due to rounding

Source: <https://ebudget.ca.gov/2023-24/pdf/BudgetSummary/SummaryCharts.pdf>

FY 2023-24 GOVERNOR'S BUDGET SUMMARY

GENERAL FUND SOURCES & USES

General Fund Revenue Sources and Uses				
(Dollars in Millions)				
	2023-24	2022-23	Change from 2022-23	
			Dollar Change	Percent Change
Sources:				
Personal Income Tax	\$126,725	\$128,905	(\$2,180)	-1.7%
Sales and Use Tax	33,599	32,851	748	2.3%
Corporation Tax	39,308	38,482	826	2.1%
Insurance Tax	3,863	3,641	222	6.1%
Other	6,679	5,004	1,675	33.5%
Total Sources:	\$210,174	\$208,883	\$1,291	0.6%
Uses:				
K-12 Education	\$81,176	\$78,505	\$2,671	3.4%
Health and Human Services	71,447	64,790	6,657	10.3%
Higher Education	22,518	23,043	(525)	-2.3%
Corrections and Rehabilitation	14,775	15,822	(1,047)	-6.6%
Legislative, Judicial, Executive	11,852	19,636	(7,784)	-39.6%
Other	21,846	38,280	(16,434)	-42.9%
Total Uses:	\$223,614	\$240,076	(\$16,462)	-6.9%

STATE BUDGET OUTLOOK

Short Term

- \$22.5 billion revenue deficit
- State tax revenue lower than expected (2022-23 and 2023-24)
- Balances this with one-time: delays (\$7b), reductions (\$6b), shifts (\$4b), trigger reductions (\$4b), borrowing (\$1b)
- Declaration of no recession, BUT...

Long Term

- Tax revenue estimate = +3% average growth (2024-25 through 2026-27)

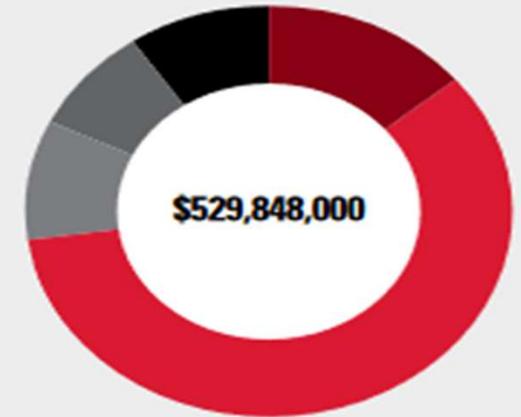
CALIFORNIA STATE UNIVERSITY

CSU FY 2023-24 BOT REQUEST

SOURCES OF FUNDS	WITHIN COMPACT	ABOVE COMPACT	BUDGET REQUEST
Incremental New Revenue			
State General Fund: Compact	\$227,302,000		\$227,302,000
Tuition from Strategic Resident Enrollment Growth	16,068,000		16,068,000
State General Fund: Above Compact		\$286,478,000	286,478,000
TOTAL NEW SOURCES	\$243,370,000	\$286,478,000	\$529,848,000

USES OF FUNDS	WITHIN COMPACT	ABOVE COMPACT	BUDGET REQUEST
Incremental New Expenditures			
GI 2025 & Basic Needs	\$30,000,000	\$45,000,000	\$75,000,000
Workforce Investments			
Faculty & Staff Compensation Pool	92,466,000	168,444,000	260,910,000
Health Premium Increases	50,524,000		50,524,000
Academic Facilities and Infrastructure		50,000,000	50,000,000
Strategic Resident Enrollment Growth	50,648,000		50,648,000
Required Operational Costs			
Maintenance of New Facilities	6,032,000		6,032,000
Liability and Property Insurance Premium Increases	13,700,000		13,700,000
Inflation on Non-Personnel Costs		23,034,000	23,034,000
TOTAL NEW USES	\$243,370,000	\$286,478,000	\$529,848,000

USES OF FUNDS



- GI 2025 & Basic Needs: Equitable Student Outcomes **\$75M**
- Workforce Investments **\$311.4M**
- Strategic Resident Enrollment Growth **\$50.6M**
- Required Operational Costs **\$42.8M**
- Academic Facilities & Infrastructure **\$50M**

CALIFORNIA STATE UNIVERSITY

FY 2020-21 TO FY 2023-24

GOVERNOR'S BUDGET

(NEW ONGOING FUNDING)

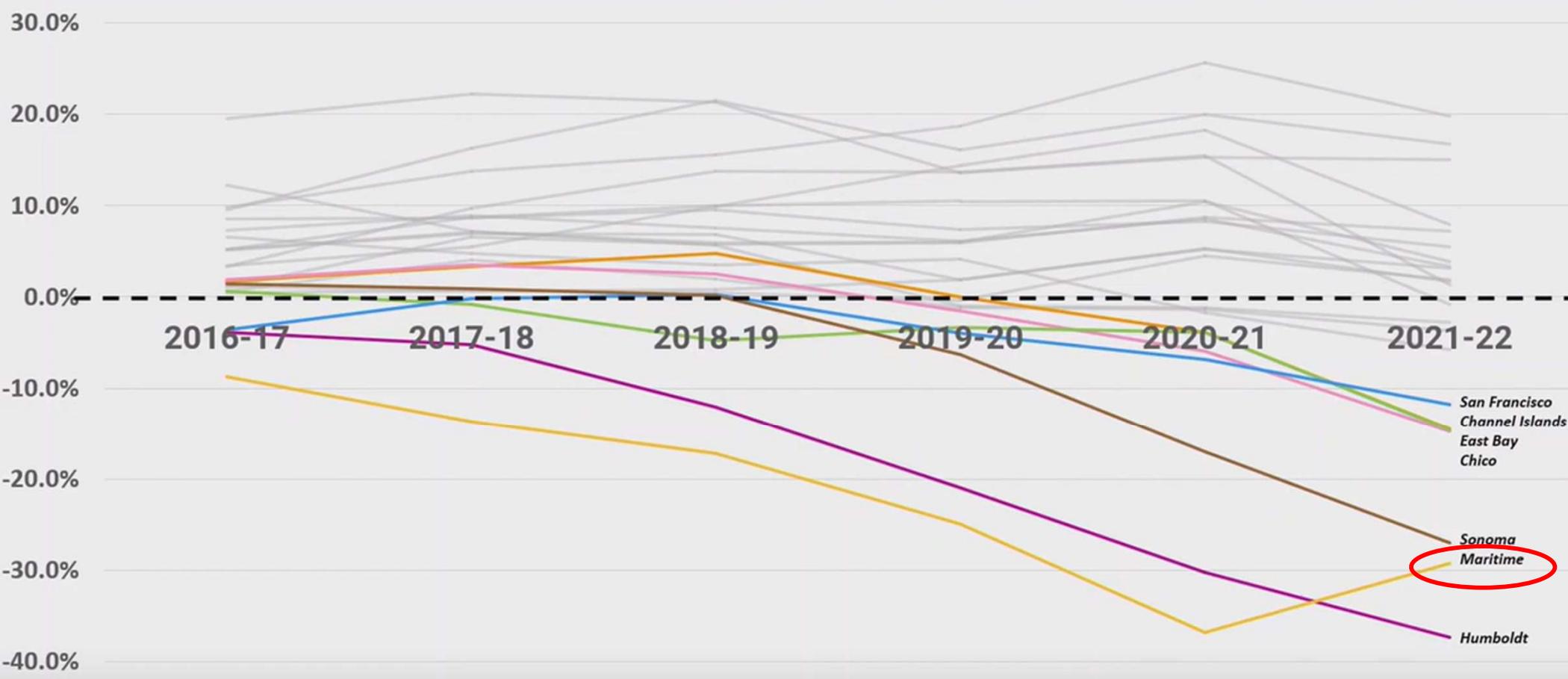
	FY 20/21 Final <u>Budget</u>	FY 21/22 Final <u>Budget</u>	FY 22/23 Final <u>Budget</u>	FY 23/24 January <u>Budget</u>
	(in Millions)			
Base Adjustments	199.0			
Contingent GF Reductions	(498.1)			
Restoration of 2020-21 General Fund Reductions		299.0		
Graduation Initiative 2025: Highest Campus Priorities		120.0		
Graduation Initiative 2025: Basic Needs Initiative		15.0	10.0	
Graduation Initiative 2025: Student Mental Health		15.0		
Graduation Initiative 2025			35.0	30.0
Foster Youth Support			12.0	
Enrollment Growth			123.5	50.6
Faculty & Staff Compensation Pool				92.5
Mandatory Costs Increase:				
Health Benefits		23.8		50.5
Maintenance of New Facilities		15.2		6.0
Liability and Property Insurance Premiums				13.7
AB 1460 Ethnic Studies		16.3		
Operating Costs for Polytechnic Transition at Humboldt		25.0		
Other Program Adjustments		14.8		
Other Specific Investments			16.3	
Summer Term Financial Aid		6.0		
Undesignated	-	-	211.1	-
Total Incremental Expenditures	(\$299.1)	\$550.1	\$407.9	\$243.4

Overview of CSU Enrollment and Resource Alignment

CSU Board of Trustees
Joint Committees on Educational
Policy and Finance – Item 2
January 24-25, 2023



CA Resident Enrollment Actuals vs University CA Resident Enrollment Target (FTES)



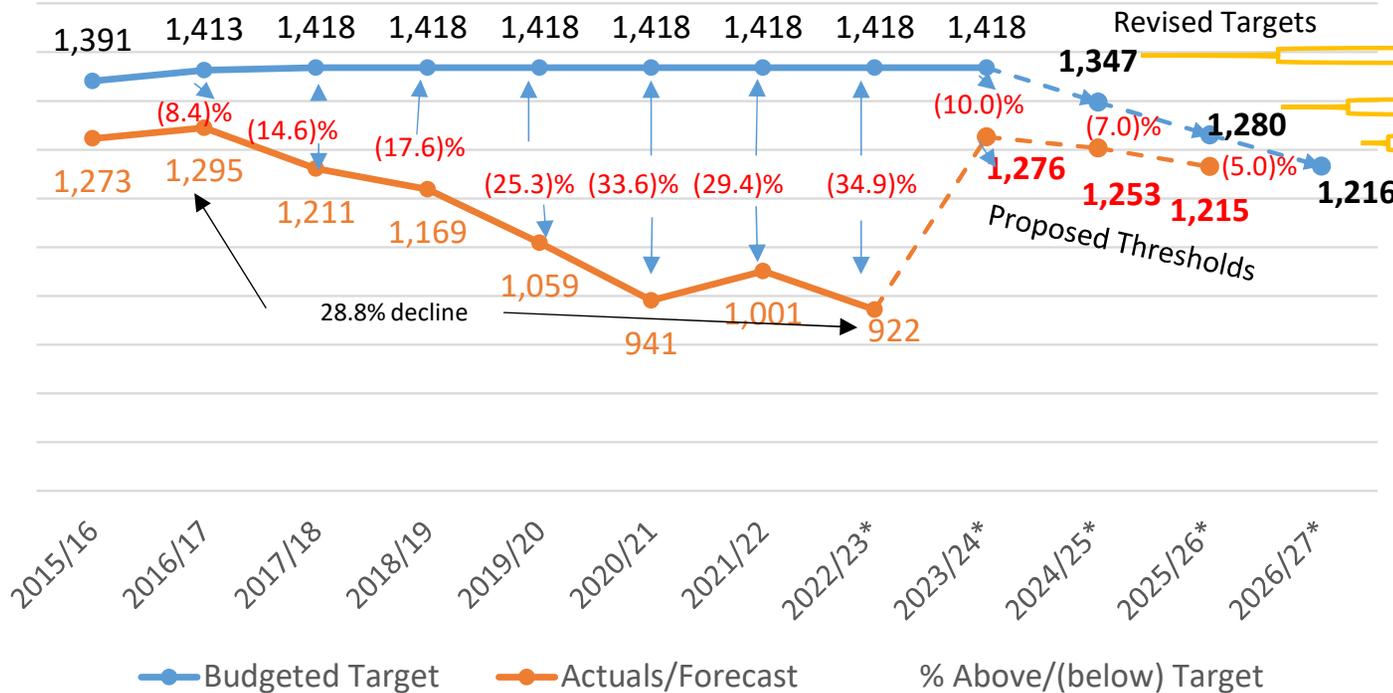
CSU ENROLLMENT TARGET AND BUDGET REALLOCATION PLAN

- New allocations only to campuses meeting and exceeding current target
- Phased Re-Allocations: College Year 2023-24 through 2026-27
 - 1) No reallocation for plan's first year (2023-24)
 - 2) Proposed thresholds for 5% reallocations in subsequent years
 - 10% or more below prior year target (2024-25)
 - 7% or more below prior year target (2025-26)
 - 5% or more below prior year target (2026-27)

Reallocation Plan: FTES and GF funding will be reallocated from campuses who are below prior year target, to campuses that are above prior year target

Cal Maritime Resident Enrollment (FTES)

What if Scenario???



1 FTE = \$8,900 of State funding

FY24/25:
Loss of (71) FTEs = (\$631,900) Revenue shortfall

FY25/26:
Loss of (67) FTEs = (\$596,300) Revenue shortfall

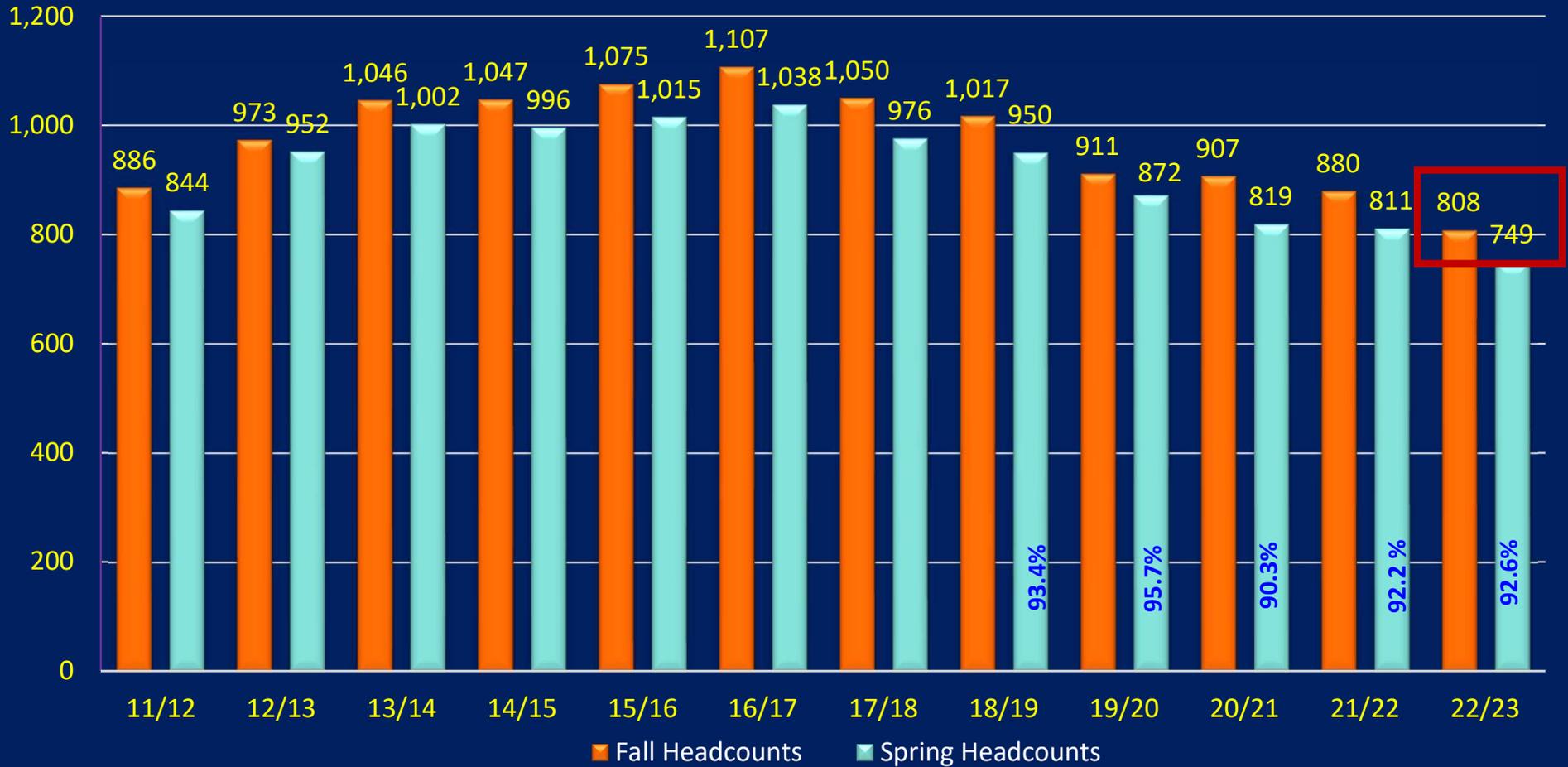
FY26/27:
Loss of (64) FTEs = (\$569,600) Revenue shortfall

Total reduction of (202) FTEs = (\$1,797,800) reduction in State funding

Beginning 2024/25, campuses will be penalized 5% of their enrollment budget if they did not meet at least 90% of their 2023/24 enrollment target, 93% in 2024/25 and 95% in 2025/26

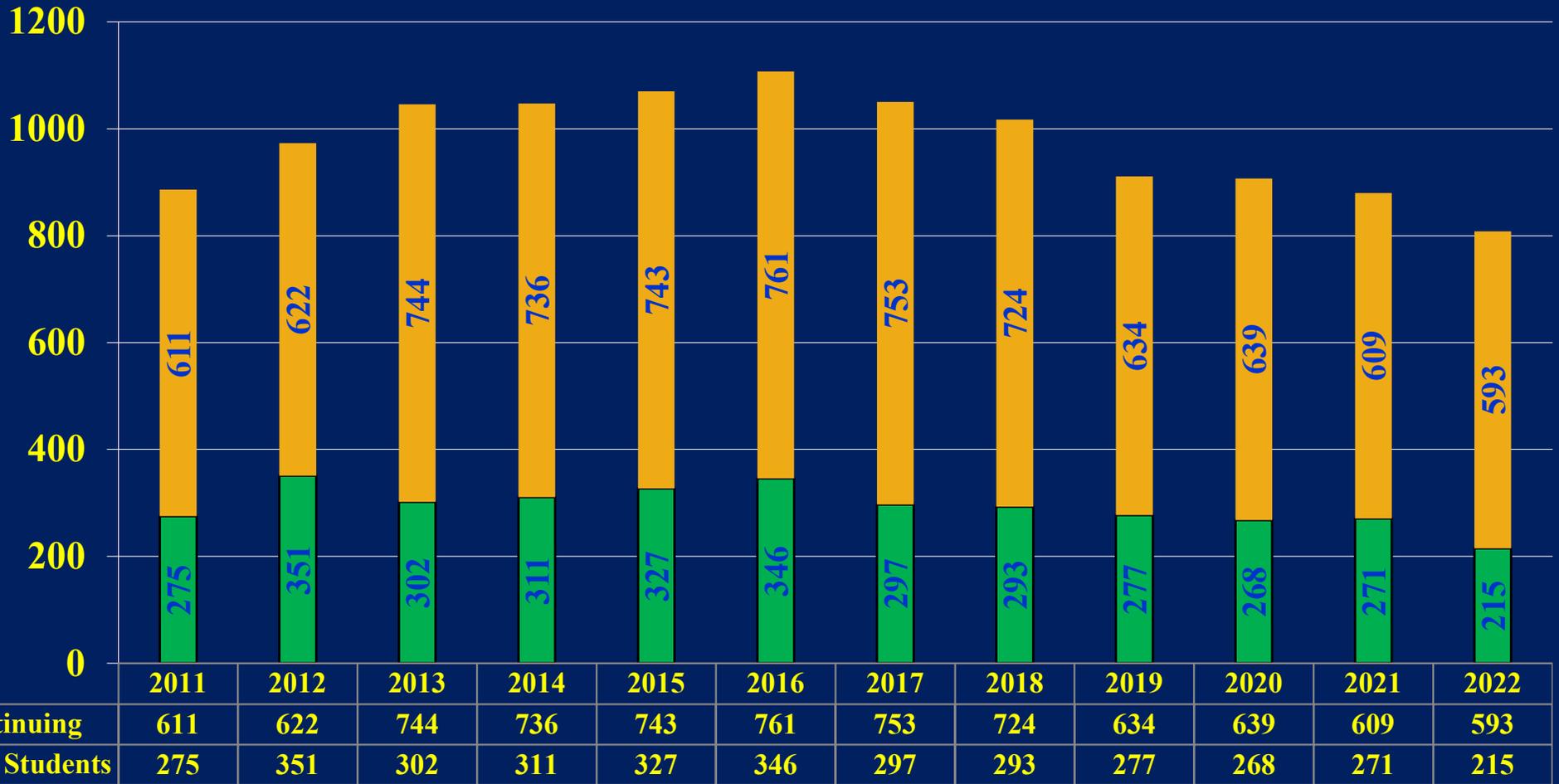
CAL MARITIME

CAL MARITIME FALL AND SPRING HEADCOUNTS

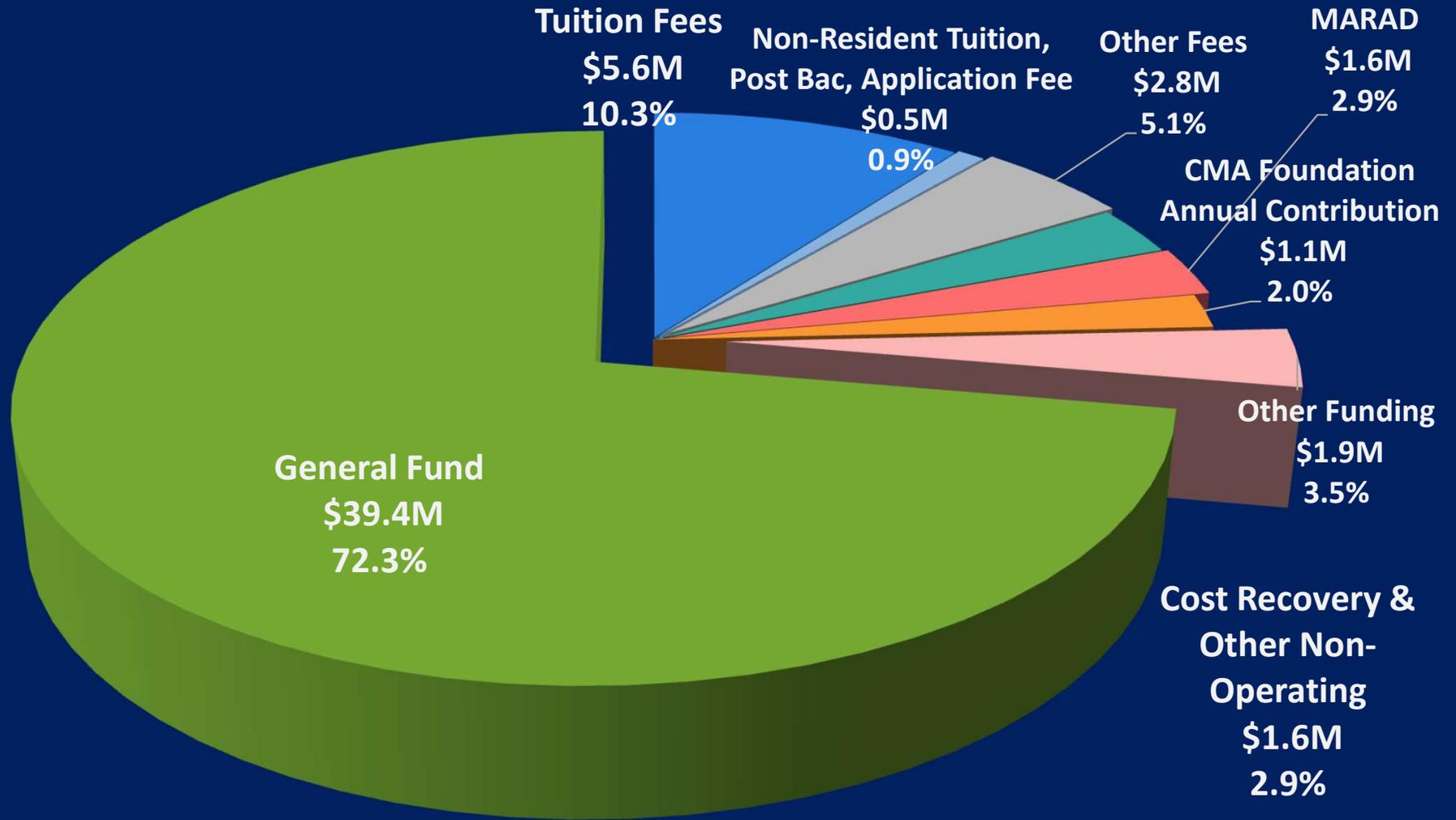


HEADCOUNTS

Fall 2011 - FALL 2022

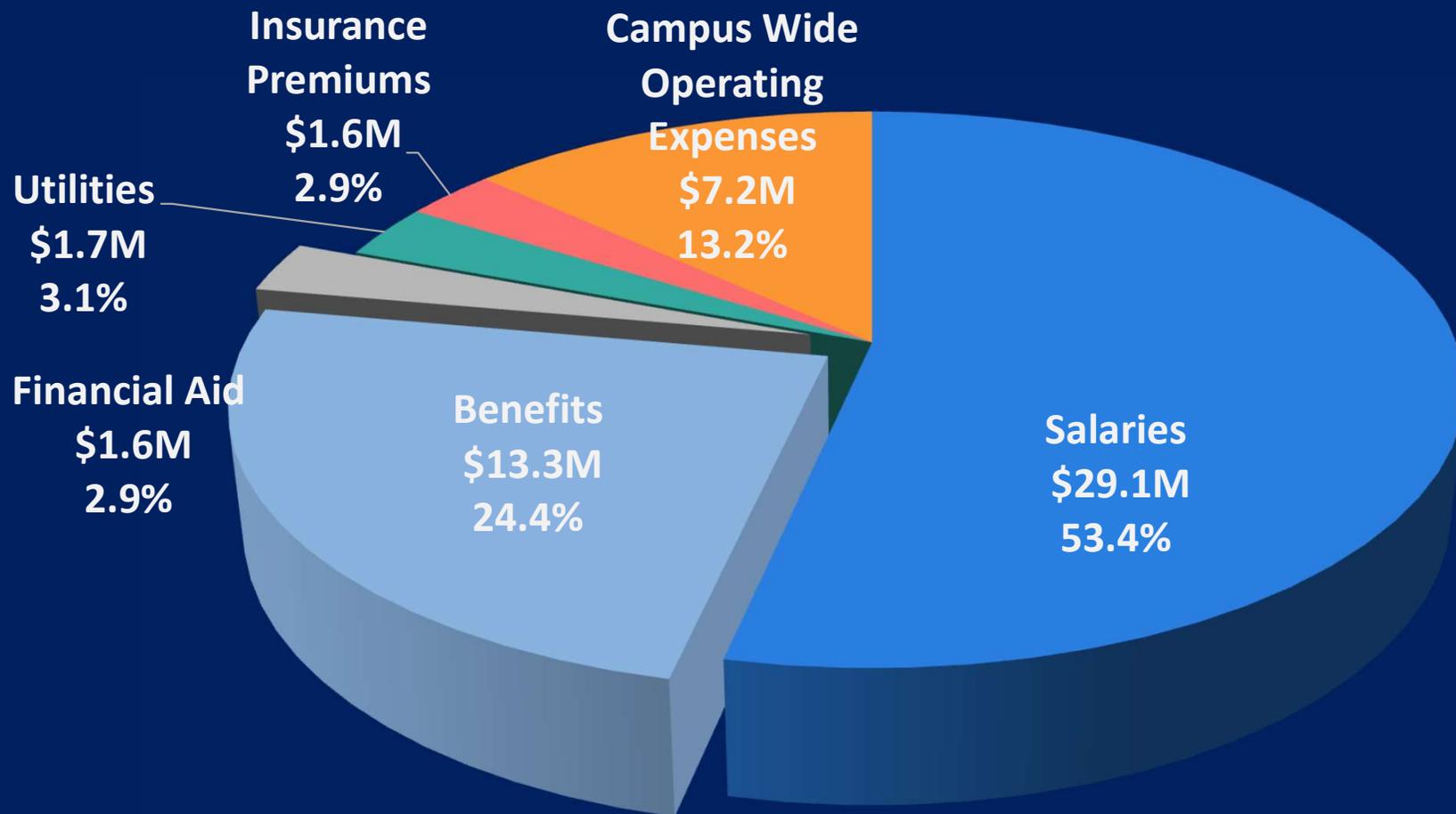


CAL MARITIME FY22-23 OPERATING BUDGET REVENUE SOURCES



Total Operating Budget: \$54.5 M

CAL MARITIME FY22-23 OPERATING BUDGET

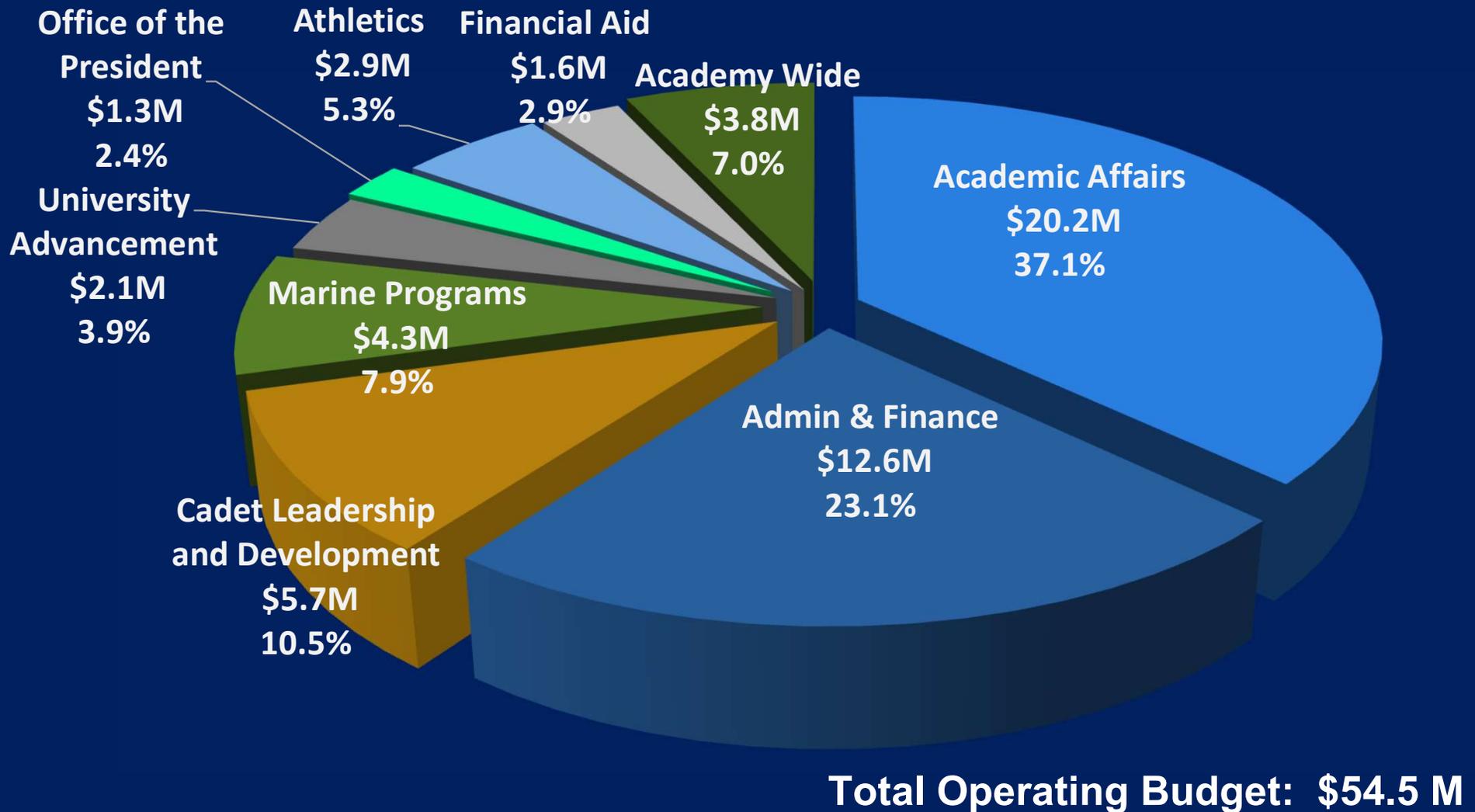


Total Operating Budget: \$54.5 M

CAL MARITIME

FY22-23 OPERATING BUDGET

BY CABINET AREA

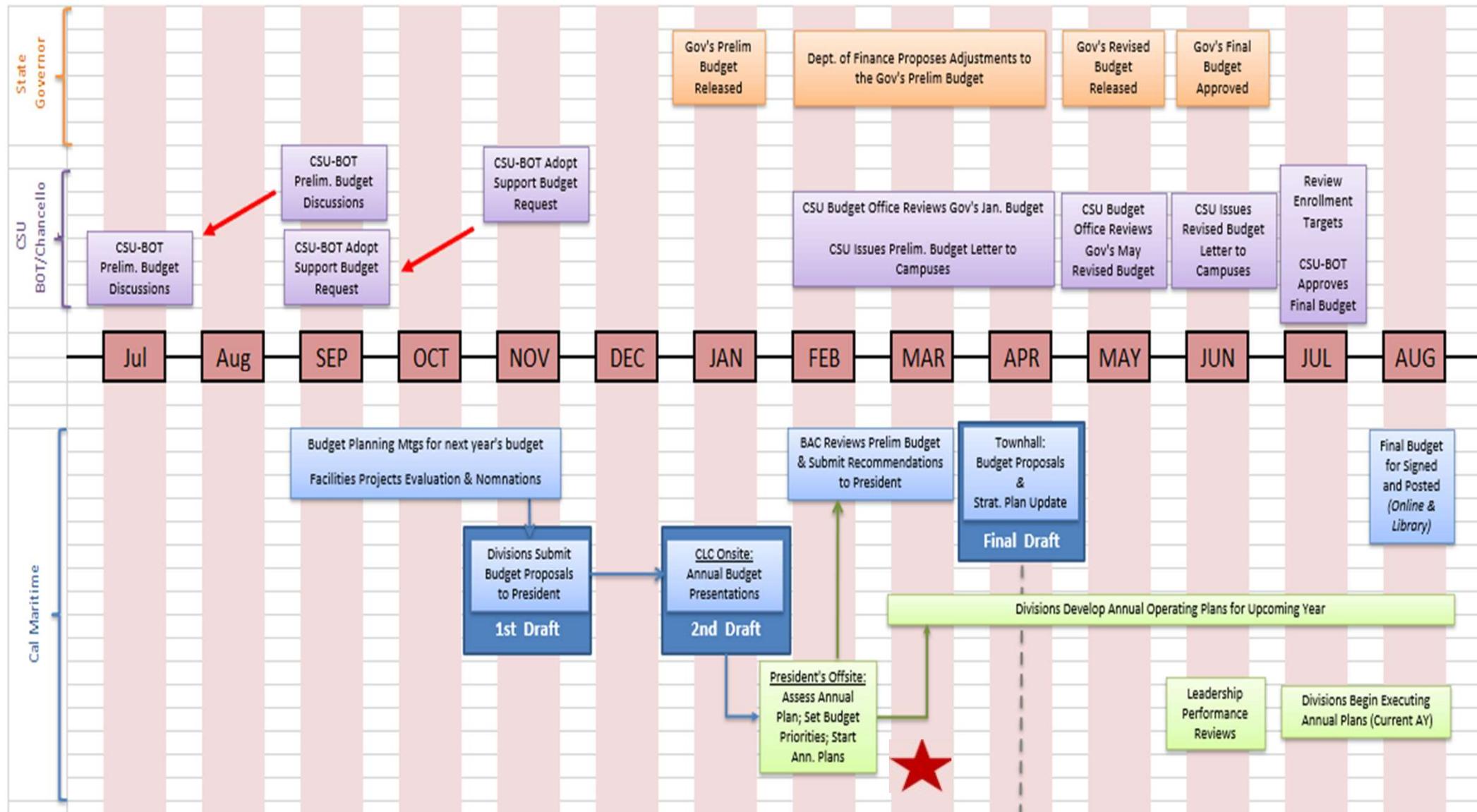


CAL MARITIME FY23-24 BUDGET RECAP

		FY22-23 Budget_Library w ReOrg + BU GSI Alloc	FY22-23 - PY Base Adjustmen t	FY22-23 Budget_Library w ReOrg + BU GSI Alloc
Division	Type			
ACADEMIC AFFAIRS	Salaries & Wages	12,429,822	105,000	12,534,822
	Operating Expense	1,530,771		1,530,771
ACADEMIC AFFAIRS Total		13,960,593	105,000	14,065,593
ATHLETICS	Salaries & Wages	1,429,572		1,429,572
	Operating Expense	787,280		787,280
ATHLETICS Total		2,216,852		2,216,852
CADET LEADERSHIP AND DEVELOPMENT	Salaries & Wages	3,353,737		3,353,737
	Operating Expense	871,705		871,705
CADET LEADERSHIP AND DEVELOPMENT Total		4,225,442		4,225,442
MARINE PROGRAMS	Salaries & Wages	1,682,736		1,682,736
	Operating Expense	1,723,267		1,723,267
MARINE PROGRAMS Total		3,406,003		3,406,003
ADMINISTRATION & FINANCE	Salaries & Wages	7,458,370	130,569	7,588,939
	Operating Expense	1,489,952		1,489,952
ADMINISTRATION & FINANCE Total		8,948,322	130,569	9,078,891
UNIVERSITY ADVANCEMENT	Salaries & Wages	942,303		942,303
	Operating Expense	22,101		22,101
UNIVERSITY ADVANCEMENT Total		964,404		964,404
OFFICE OF THE PRESIDENT	Salaries & Wages	1,147,405		1,147,405
	Operating Expense	318,445		318,445
OFFICE OF THE PRESIDENT Total		1,465,850		1,465,850
UNIVERSITY WIDE	Salaries & Wages	450,700	-	450,700
	Operating Expense	18,825,368	688,979	19,514,347
UNIVERSITY WIDE Total		19,276,068	688,979	19,965,047
Grand Total		54,463,534	924,548	55,388,082

CAL MARITIME BUDGET PROCESS

Cal Maritime Annual Planning & Budget Development Timeline



DISCUSSION

&

NEXT STEPS

RESOURCES:

CSU Budget Request

<https://www.calstate.edu/csu-system/about-the-csu/budget/2023-24-operating-budget/Documents/2023-24-operating-budget.pdf.pdf>

Governor's Budget

<https://www.ebudget.ca.gov/2023-24/pdf/BudgetSummary/SummaryCharts.pdf>

LAO

<https://lao.ca.gov/>

https://lao.ca.gov/handouts/state_admin/2023/2023-24-Budget-Overview-020823.pdf

THANK YOU