



**California State University Maritime Academy
Budget Update
January 2021**

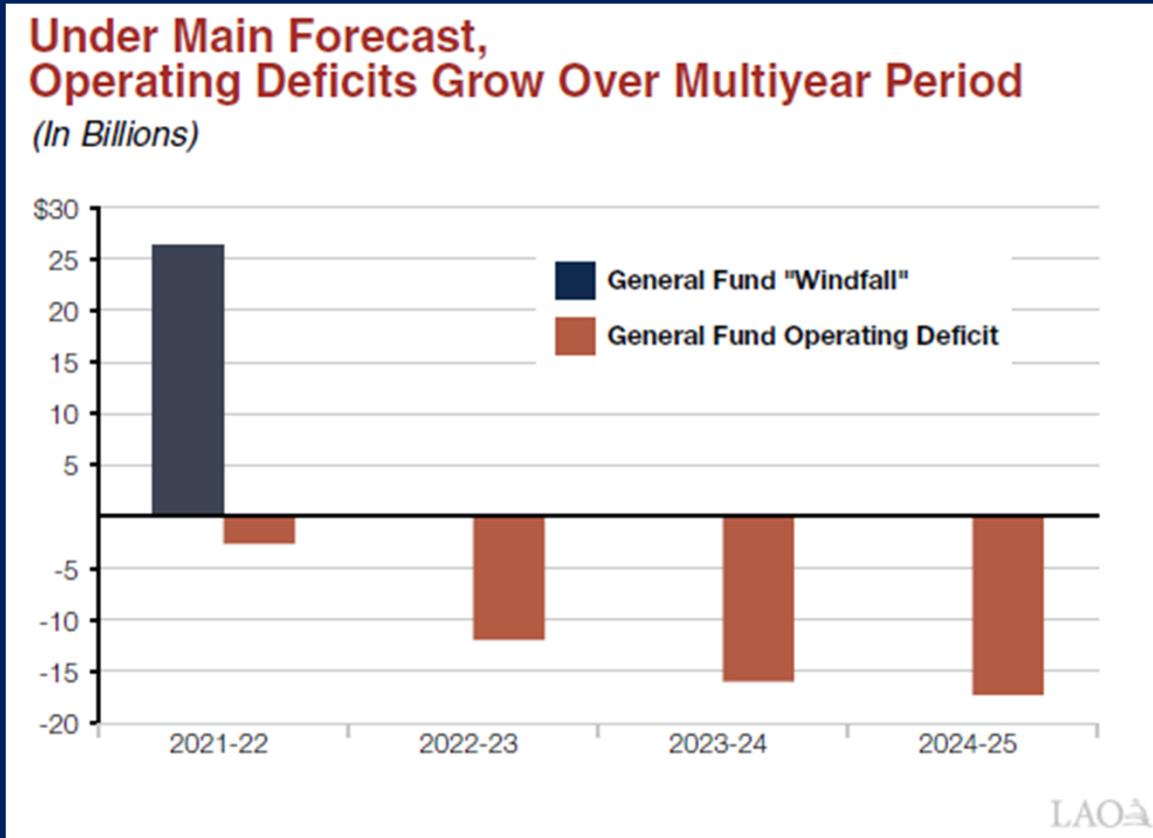
**Legislative Analyst's Office
2021-22 Budget
California's Fiscal Outlook
Summary**

November 2020

The 2021-22 Budget: California Fiscal Outlook

- **Budget Forecast** – General Fund revenues from the state’s three largest sources would grow at an average annual rate of less than 1 percent. Meanwhile General Fund expenditures grow at an average rate of 4.4 percent per year.

The net result is that the state faces an operating deficit, which is relatively small in 2021-22, but grows to around \$17 billion by 2024-25



The 2021-22 Budget: California Fiscal Outlook

How Likely Is the Budget to Break Even?

General Fund Revenue (In Billions)

The shaded regions on this graph show our estimates of how much revenues might differ from our **main forecast**. Our estimates suggest revenues are more likely than not to be in the **inner shaded area**. Revenues in the outer shaded area are less likely. Revenues beyond that are very unlikely. The **breakeven point** shows the amount of revenue needed for the budget to stay balanced without further solutions.



Most of the outcomes are below the breakeven point, suggesting the budget is likely to face an operating deficit, even if revenue growth differs substantially from our main forecast.

The 2021-22 Budget: California Fiscal Outlook

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California Fiscal Outlook

- Rapid Rebound Results in Incomplete, Uneven Economic Recovery.
- Spike in Unemployment Was Historic, but Less Than Feared.
- Drop in Consumer Spending Was Very Large, but Short-Lived.
- Stock Market and Technology Sector Doing Particularly Well.

California Fiscal Outlook

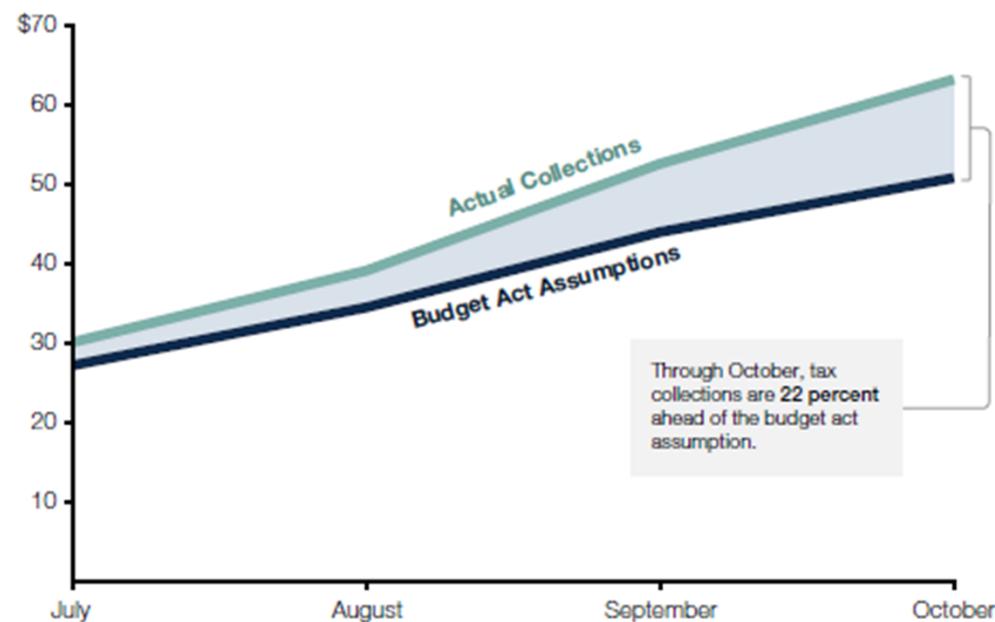
Revenues

- Tax Collections Have Been Much Better Than Anticipated.

Tax Collection Well Ahead of Budget Act

Total 2020-21 Collections to Date

Personal Income, Corporation, and Sales Taxes (In Billions)



Through October, tax collections are 22 percent ahead of the budget act assumption.

The 2021-22 Budget: California Fiscal Outlook

Economic Uncertainty Clouds Outlook

- Will virus cases worsen further over the fall and winter?
- How soon will effective treatments or vaccines be widely available?
- Can businesses continue to withstand diminished revenues in the face of rising debts?
- Will the federal government take additional actions to support the economy?
- Could a permanent shift toward remote work change people's and businesses' decisions about locating in California

California Governor's Budget Update

January 2021

California Budget Update January 2021

- Governor's Proposed Budget January 10th
- Informational Hearings in Assembly/Senate
- Final Decisions in May and June
- July Final FY2021-22 Budget

FY 2021-22 Governor's Proposed Budget Summary of General Fund Tax Revenue Sources

(Dollars in Millions)

January Projection

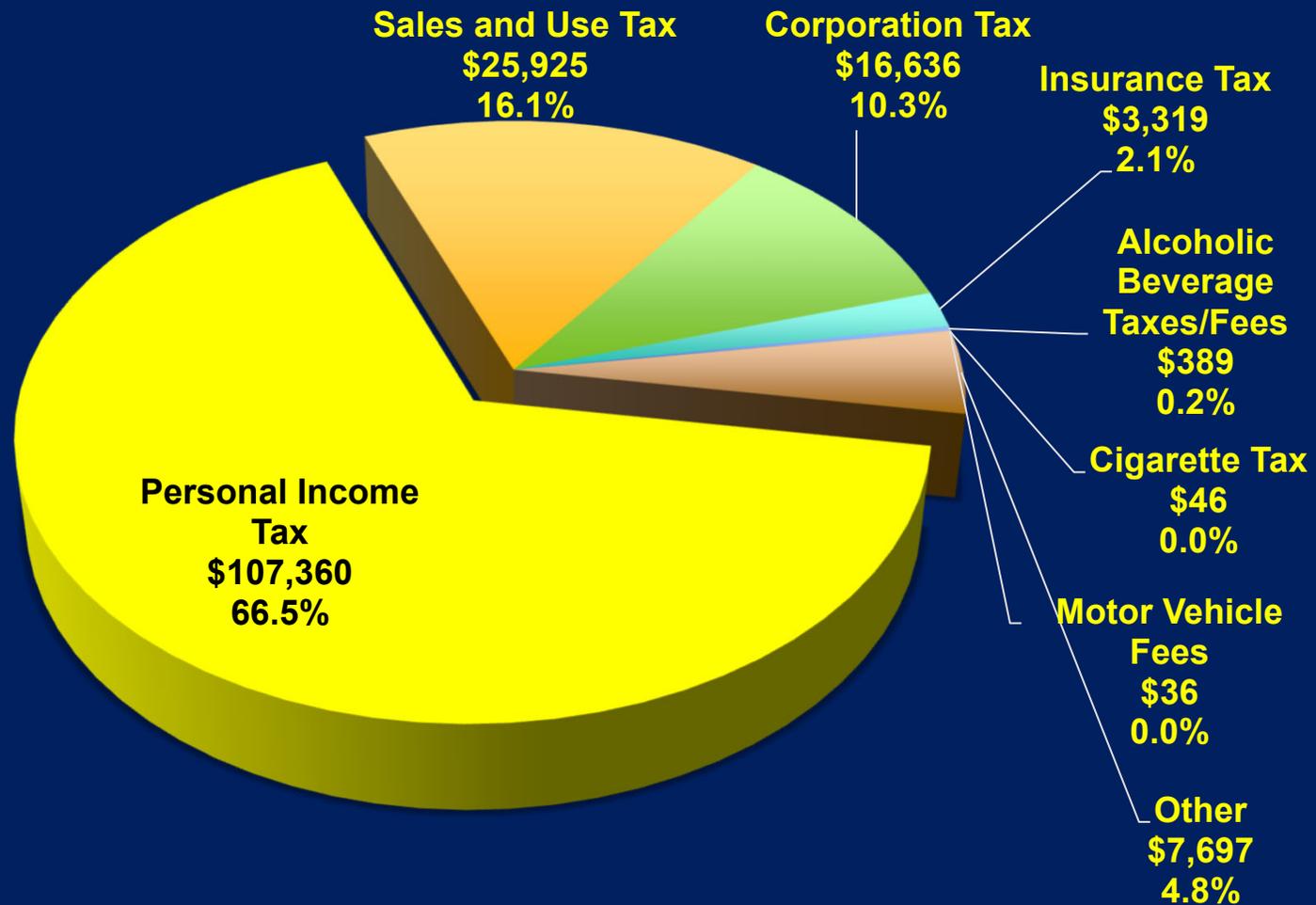
	General Fund	Special Funds	Total	Change From 2020-21
Personal Income Tax	\$107,360	\$2,636	\$109,996	\$5,247
Sales and Use Tax	25,925	11,777	37,702	(738)
Corporation Tax	16,636	-	16,636	(312)
Highway Users Taxes	-	8,639	8,639	616
Insurance Tax	3,319	-	3,319	66
Alcoholic Beverage Taxes and Fees	389	-	389	4
Cigarette Tax	46	1,556	1,602	(234)
Motor Vehicle Fees	36	10,377	10,413	132
Other	7,697	23,140	30,837	(145)
Subtotal	\$161,408	\$58,125	\$219,533	\$4,636
Transfer to the Budget Stabilization Account/Rainy Day Fund	(3,038)	3,038	-	-
Total	\$158,370	\$61,163	\$219,533	\$4,636

Note: Numbers may not add due to rounding

FY 2021-22 GOVERNOR'S BUDGET SUMMARY

GENERAL FUND TAX REVENUE SOURCES AND TRANSFERS*

(IN MILLIONS)



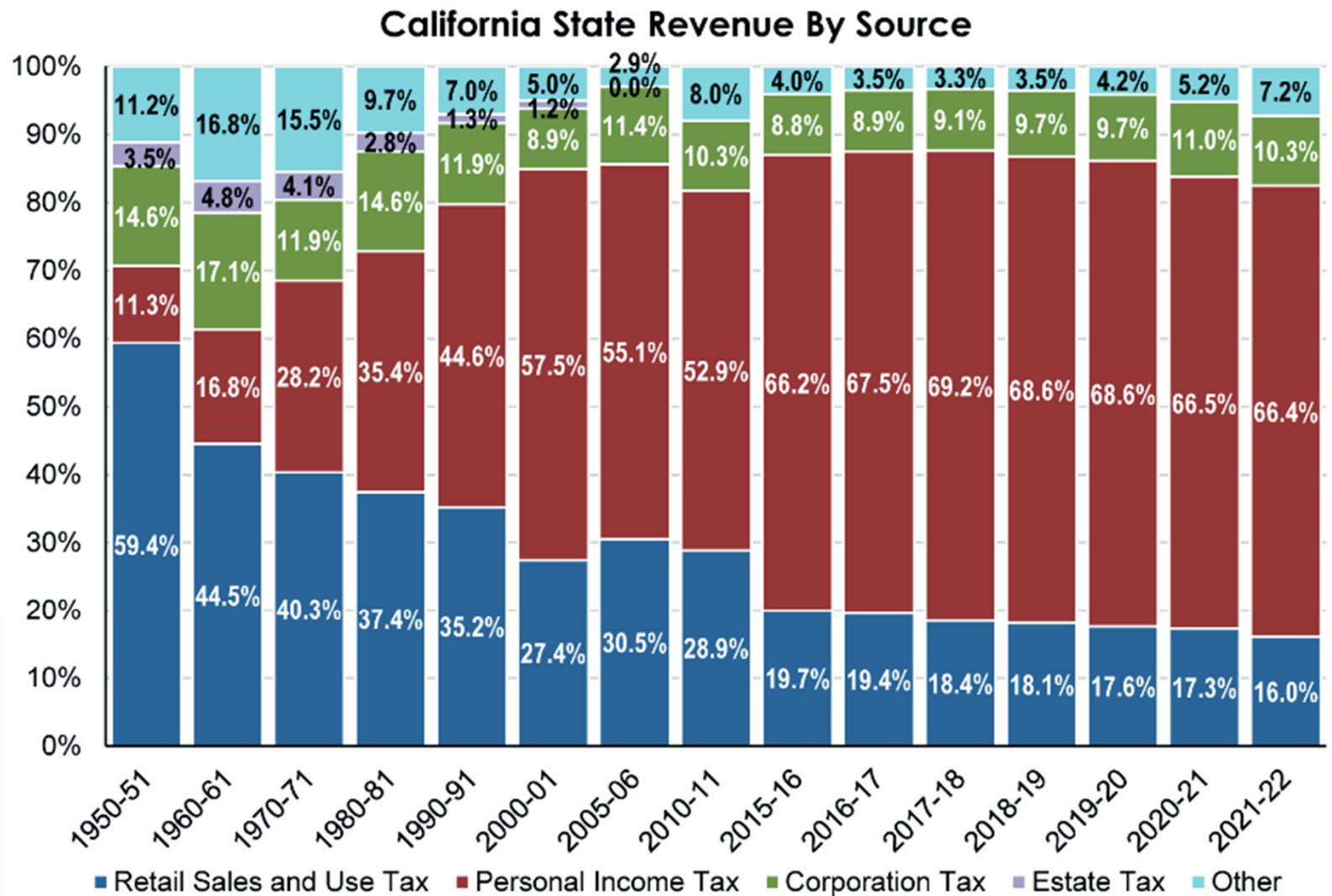
Total: \$161.4 Billion

Note: Numbers may not add due to rounding

*includes \$3,038 million transfer to Rainy Day Fund

FY 2021-22 GOVERNOR'S BUDGET SUMMARY

GENERAL FUND TAX REVENUE SOURCES AND TRANSFERS*



FY 2021-22 GOVERNOR'S BUDGET SUMMARY

GENERAL FUND LONG-TERM REVENUE FORECAST

(IN BILLIONS)

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Average Year-Over- Year Growth
Personal Income Tax	\$99.5	\$102.2	\$107.4	\$108.4	\$109.3	\$112.4	2.1%
Sales and Use Tax	25.5	26.5	25.9	26.7	27.4	28.2	1.3%
Corporation Tax	14.0	16.9	16.6	15.8	14.9	15.2	1.6%
Total	\$139.0	\$145.7	\$149.9	\$150.9	\$151.6	\$155.8	1.9%

Note: Numbers may not add due to rounding.

Source: Governor's Budget 2021-22 (Proposed Budget Summary) <http://www.ebudget.ca.gov/budget/2021-22/BudgetSummary>

Unpredictable Capital Gains

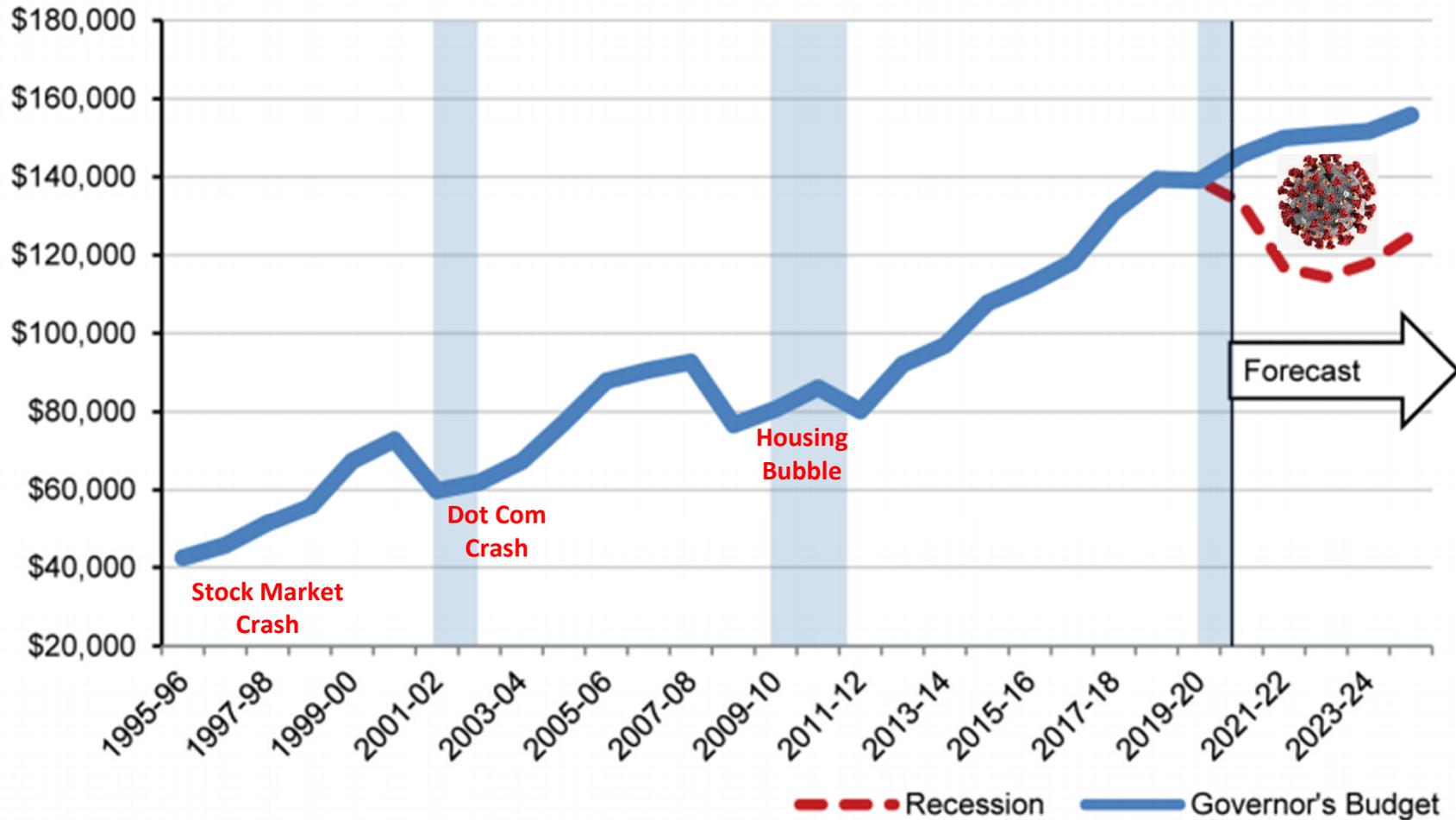
**Capital Gains Revenue
As a Percent of General Fund Tax Revenues**
(Dollars in Billions)

Annual Values	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 ^{ef}	2019 ^{ef}	2020 ^{ef}	2021 ^{ef}
Capital Gains Realizations	\$28.8	\$55.3	\$52.1	\$99.9	\$79.9	\$115.5	\$120.1	\$113.2	\$143.6	\$154.4	\$162.9	\$173.5	\$185.1
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	\$16.1	\$17.3	\$18.5
Fiscal Year Values	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
Tax Revenues from Capital Gains	\$3.0	\$4.5	\$6.0	\$9.6	\$8.7	\$11.5	\$11.7	\$12.3	\$14.4	\$15.6	\$16.5	\$17.6	\$18.2
Total General Fund Tax Revenues ^{1/}	\$86.6	\$92.0	\$85.3	\$97.6	\$103.0	\$113.8	\$118.9	\$122.1	\$135.1	\$144.5	\$145.1	\$156.0	\$161.6
Capital Gains Percentage	3.4%	4.9%	7.1%	9.8%	8.5%	10.1%	9.9%	10.0%	10.7%	10.8%	11.4%	11.3%	11.3%

^{1/}Excluding transfers.
^{ef}Estimated

Unpredictable Capital Gains

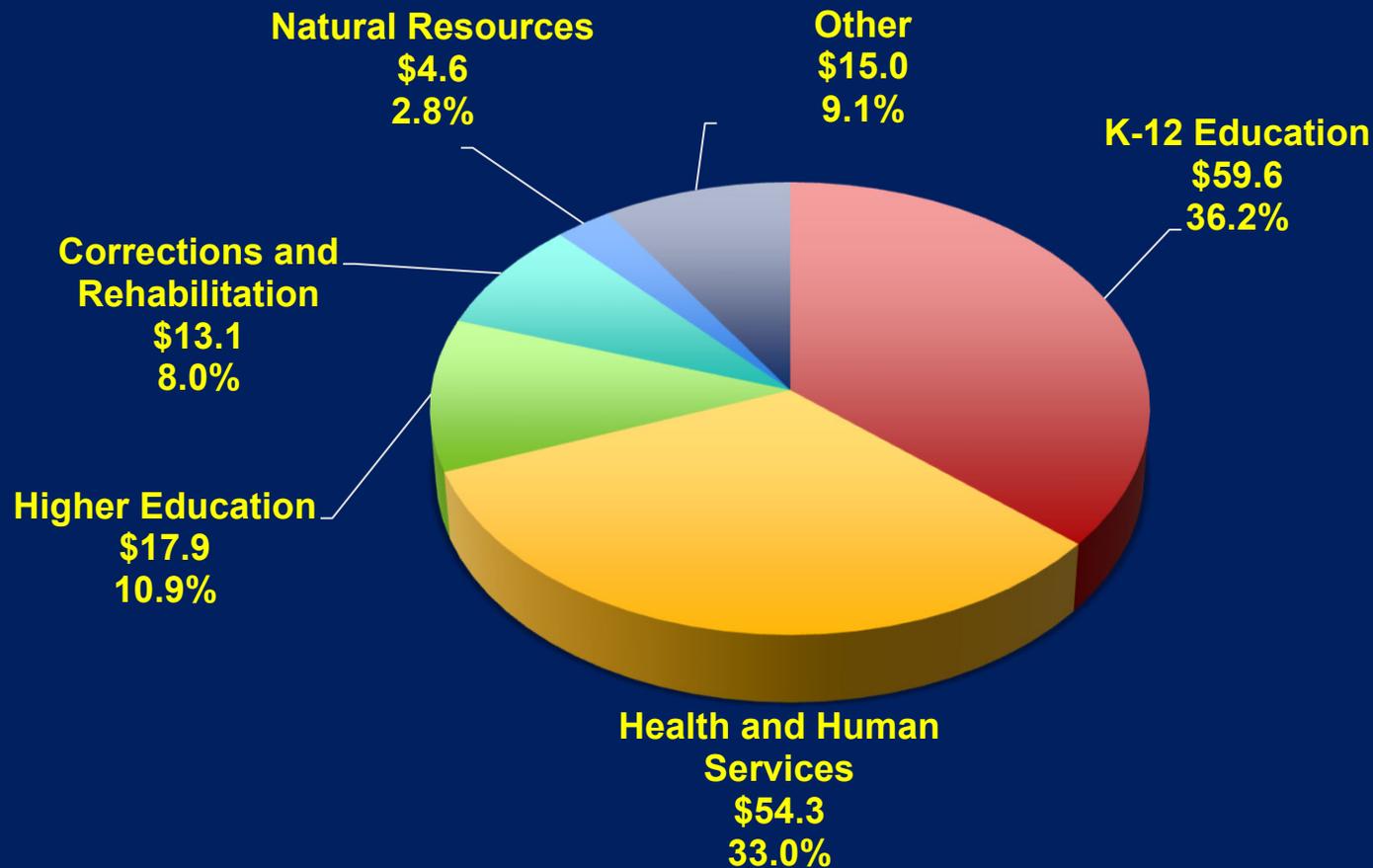
**Annual Revenue Could Drop by
Tens of Billions of Dollars in a Typical Recession Scenario**
(Dollars in Millions)



FY 2021-22 GOVERNOR'S BUDGET SUMMARY

GENERAL FUND EXPENDITURES BY AGENCY

(IN BILLIONS)



Total: \$164.5 Billion

Note: Numbers may not add due to rounding

Source: Governor's Budget 2021-22 (Proposed Budget Summary) <http://www.ebudget.ca.gov/budget/2021-22/BudgetSummary>

**CALIFORNIA STATE UNIVERSITY
FY 2021-22 SUPPORT BUDGET PLAN
(DOLLARS IN MILLIONS)**

Governor's January Budget

\$144.5M Recurring Funding

\$225M One-Time

- \$175M Deferred Maintenance
- \$30M Student Emergency Assistance Grants
- \$10M Monterey Bay's Computing Talent Initiative
- \$10M Professional Development

2021-22 CSU Support Budget Request

January 2021

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

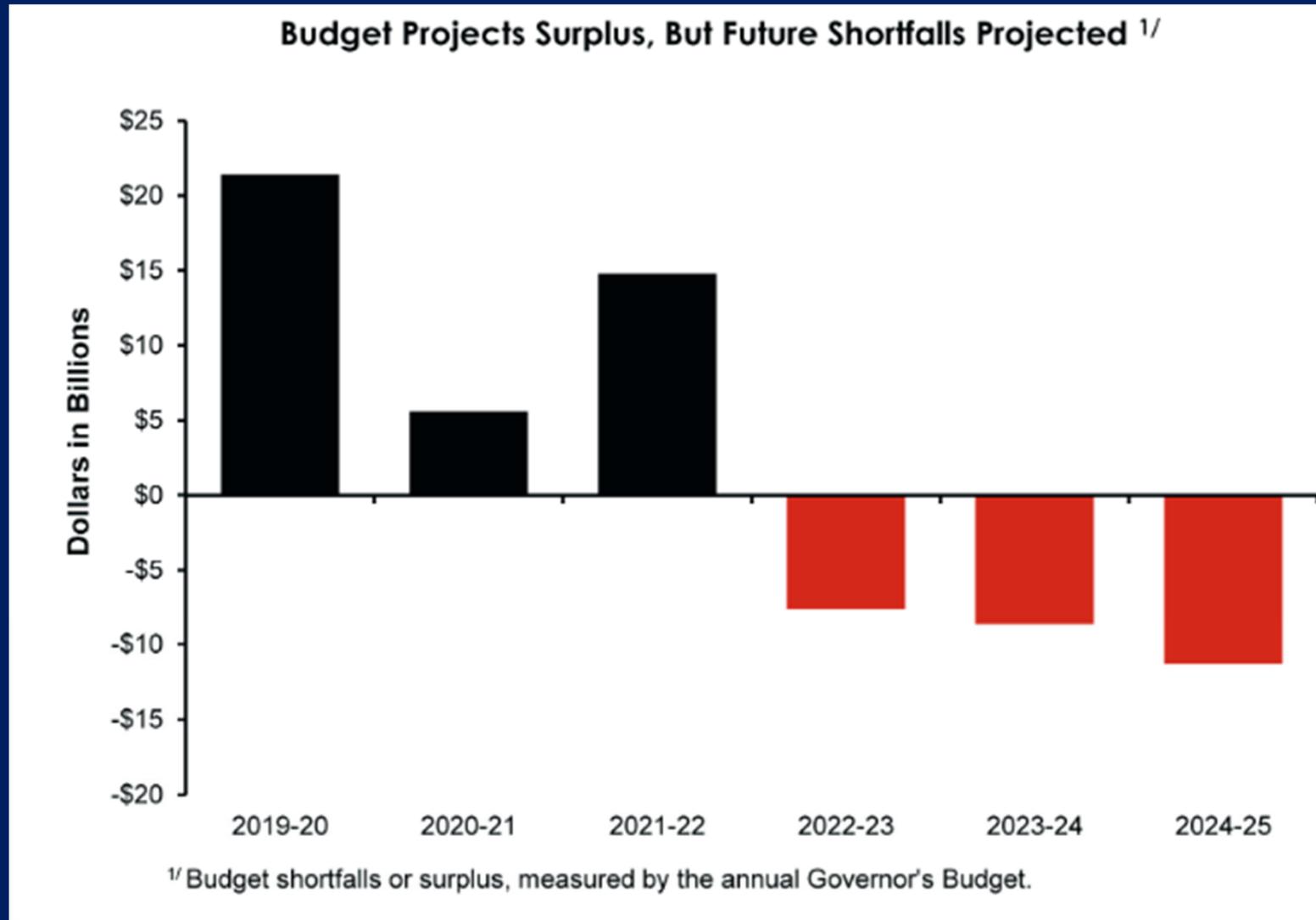
CALIFORNIA STATE UNIVERSITY FY 2021-22 SUPPORT BUDGET PLAN

(DOLLARS IN MILLIONS)

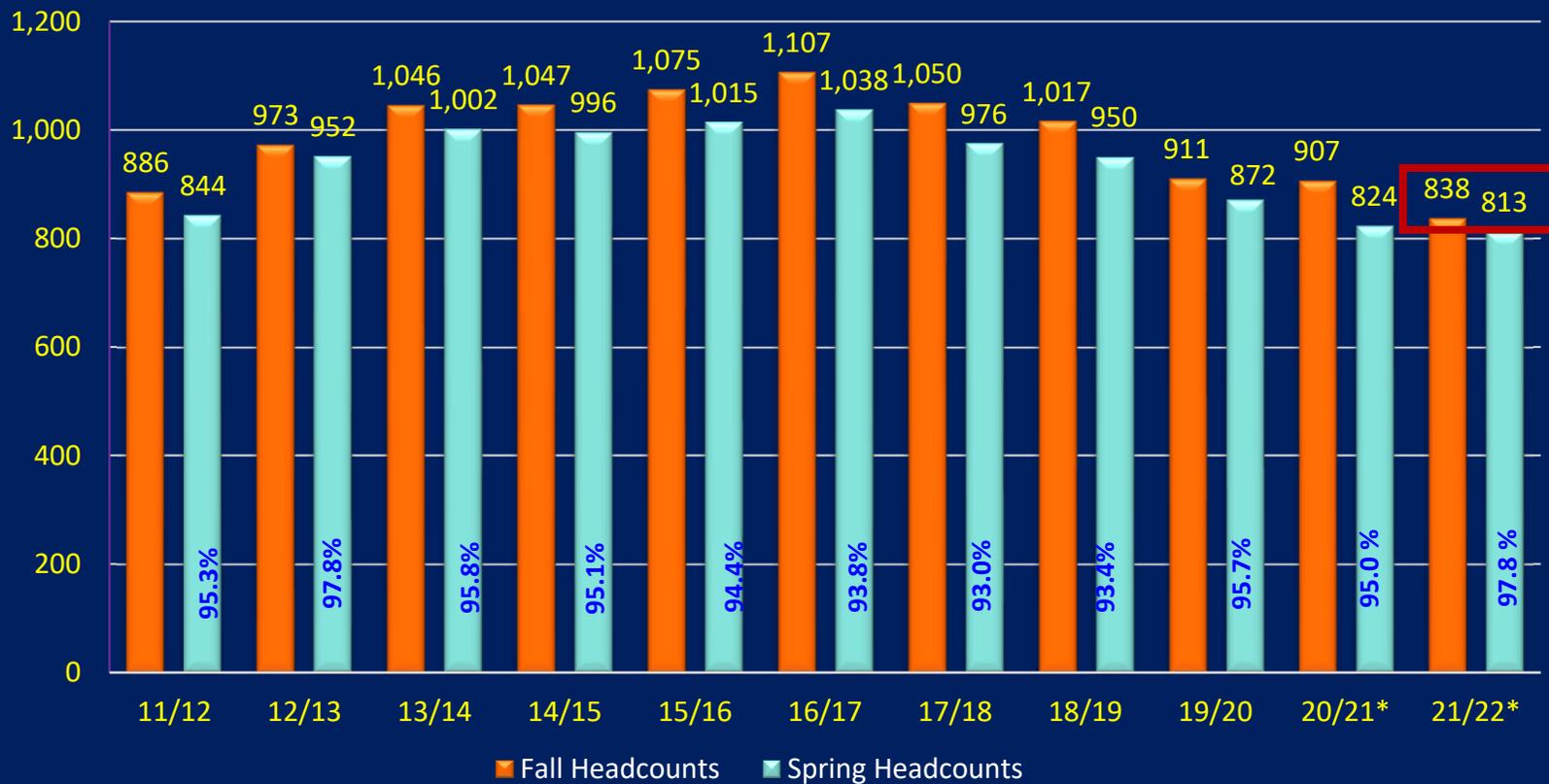
	<u>Nov. BOT Request</u>	<u>Gov Jan</u>
Student Success and Completion Initiatives (5 th yr. of GI 2025)	\$135.0	
Basic Needs Initiative to Support GI 2025	15.0	\$15.0
Restoration of 2020-21 General Fund Reductions	299.0	111.5
Academic Facilities & Infrastructure Needs	50.0	
Mandatory Costs Increase:	57.0	
Health Benefits \$23.8M		
Minimum Wage \$5.4M		
Maintenance of New Facilities \$11.3M		
AB 1460 Ethnic Studies \$16.5M		
Other (Common Learning Mgmt Sys \$2.0M, CSUS \$1.0M)		3.0
Mental Health and Technology Needs		15.0
Total Increase in Expenditures - Recurring	\$ 556.0	\$144.5

Note: Numbers may not add due to rounding

FY 2021-22 Governor's Proposed Budget



Cal Maritime Fall and Spring Headcounts



- Forecast are subject to change

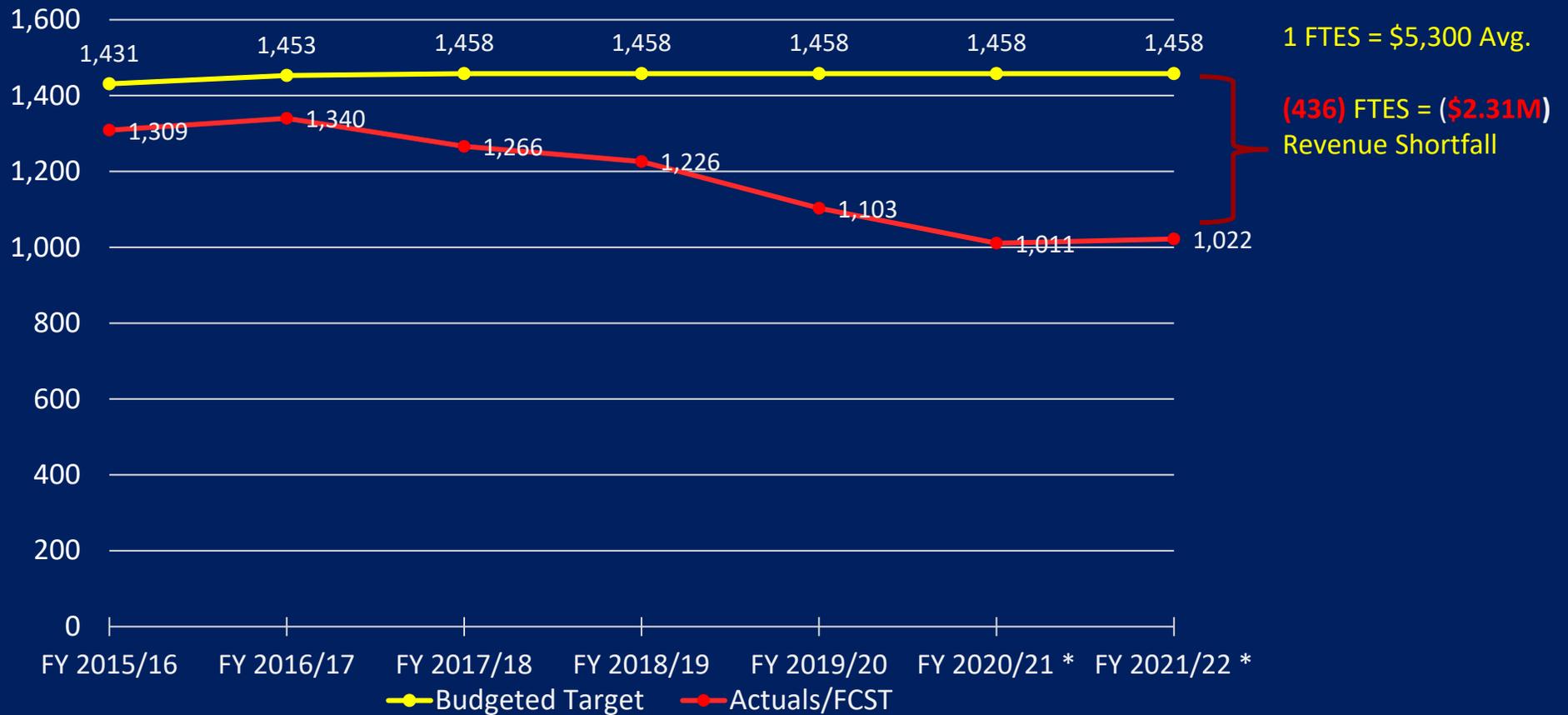
Students Headcount Fall 2011 - Fall 2021



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 *
■ Continuing	611	622	744	736	743	761	753	724	634	638	608
■ New Students	275	351	302	311	327	346	297	293	277	269	230

* Forecast are subject to change

Cal Maritime Enrollment (FTES) Budget vs Actual

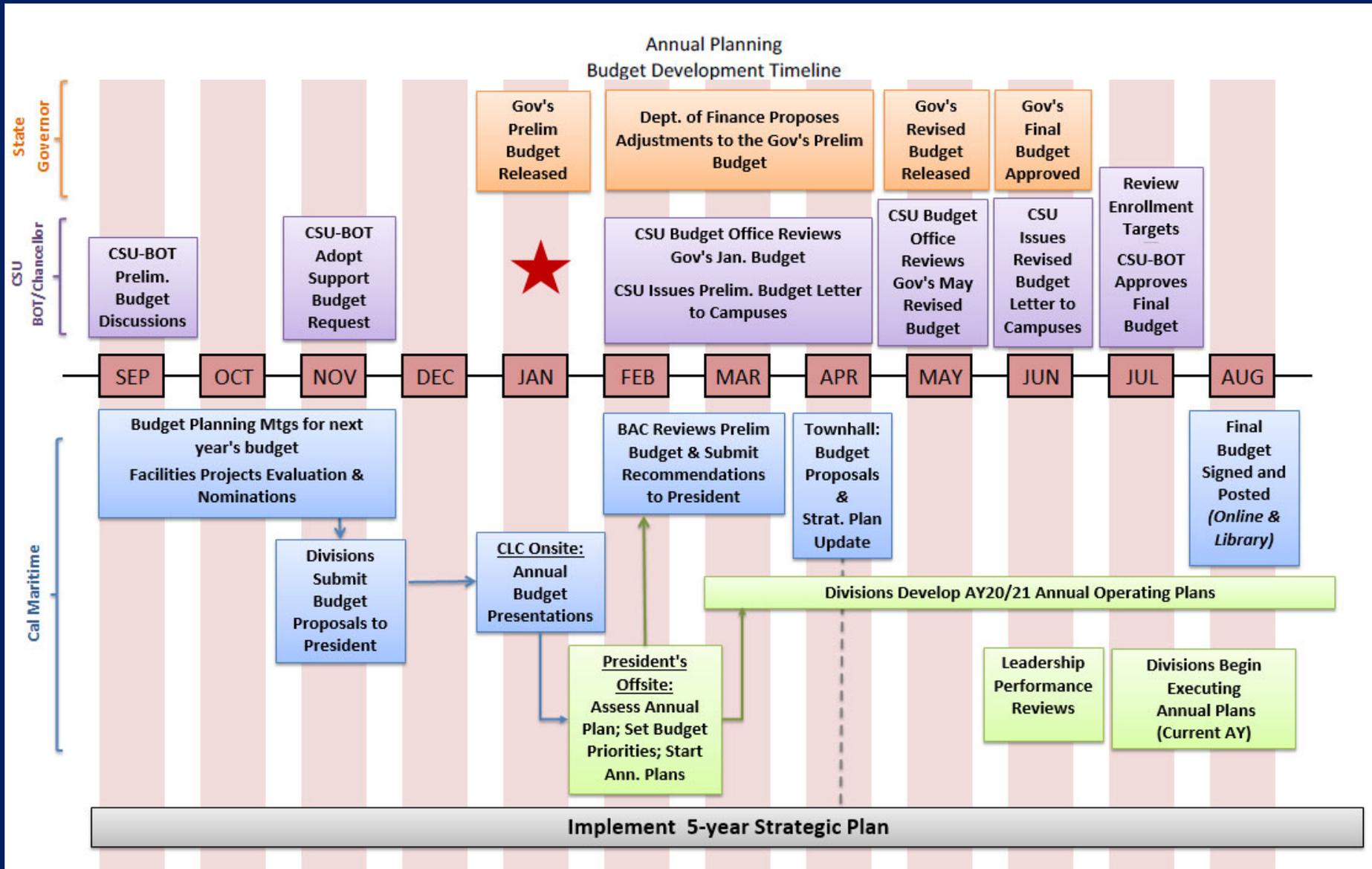


* Projected

FY 2021-22 Cabinet Level Summary

	FY17-18 Actuals	FY18-19 Actuals	FY19-20 Actuals	A FY19-20 ReOrg'd Budget	B FY20-21 ReOrg'd Budget	C FY21-22 Proposed Annual Budget Rev1	C - A Variance FY19-20 ReOrg'd Bud vs FY21-22 Proposed Bud	C - B Variance FY20-21 ReOrg'd Bud vs FY21-22 Proposed Bud
ACADEMIC AFFAIRS								
S&W	10,111,663	10,410,328	10,467,233	11,056,915	10,778,210	11,154,861	97,946	376,651
OE	1,519,179	1,012,538	689,532	1,151,065	247,227	799,018	(352,047)	551,791
Total	11,630,842	11,422,867	11,156,766	12,207,980	11,025,437	11,953,879	(254,101)	928,442
ADMINISTRATION & FINANCE								
S&W	6,049,645	6,066,878	6,509,219	6,831,181	6,844,617	7,090,770	259,589	246,153
OE	2,287,869	1,715,205	2,213,881	1,733,644	986,855	1,832,942	99,298	846,087
Total	8,337,513	7,782,083	8,723,100	8,564,825	7,831,472	8,923,713	358,887	1,092,240
PRESIDENT								
S&W	584,211	997,846	1,221,008	1,944,444	1,988,216	2,165,302	220,858	177,086
OE	203,930	370,888	474,655	826,889	587,917	1,058,188	231,299	470,271
Total	788,141	1,368,734	1,695,663	2,771,333	2,576,133	3,223,490	452,157	647,357
MARINE PROGRAMS								
S&W	1,451,088	1,799,353	1,538,334	1,789,058	1,785,210	1,914,394	125,336	129,184
OE	2,050,293	2,916,133	641,836	2,323,578	1,610,771	2,673,271	349,693	1,062,500
Total	3,501,380	4,715,486	2,180,170	4,112,636	3,395,981	4,587,665	475,029	1,191,684
STUDENT AFFAIRS								
S&W	3,299,538	3,012,057	3,132,123	2,764,477	2,747,709	2,751,655	(12,822)	3,946
OE	1,296,341	1,246,179	1,215,580	927,091	383,788	938,888	11,797	555,100
Total	4,595,879	4,258,236	4,347,703	3,691,568	3,131,497	3,690,543	(1,025)	559,046
UNIVERSITY ADVANCEMENT								
S&W	944,195	1,075,945	1,232,482	1,122,748	1,128,104	1,178,110	55,362	50,006
OE	176,612	163,431	135,622	149,650	117,901	156,100	6,450	38,199
Total	1,120,808	1,239,376	1,368,104	1,272,398	1,246,005	1,334,210	61,812	88,205
UNIVERSITY WIDE								
S&W	(22,105)	(32,279)	(27,311)	34,920	25,077	25,077	(9,843)	-
OE	15,499,531	19,023,143	19,198,359	18,584,774	18,371,796	18,788,803	204,029	417,007
Total	15,477,426	18,990,864	19,171,048	18,619,694	18,396,873	18,813,880	194,186	417,007
OPERATING FUND CONSOLIDATED								
S&W	22,418,235	23,330,128	24,073,089	25,543,743	25,297,143	26,280,169	736,426	983,027
OE	12,626,279	14,519,029	11,830,900	12,925,524	9,392,733	13,333,688	550,520	3,940,955
Benefits	10,407,475	11,928,488	12,738,564	12,771,167	12,913,522	12,913,522	-	-
Total	45,451,989	49,777,645	48,642,553	51,240,434	47,603,398	52,527,380	1,286,946	4,923,982

Cal Maritime Budget Process



Resources:

Governor's Budget

Budget <http://www.ebudget.ca.gov/2021-22/pdf/BudgetSummary/SummaryCharts.pdf> January 2021

LAO

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

<https://lao.ca.gov/Budget?year=2021&subjectArea=outlook>

THANK YOU