



CAL
STATE
**EAST
BAY**

President's Budget Town Hall
March 6, 2025

How does East Bay compare to Sonoma State?

	Sonoma	East Bay
2024-25 Resident FTES Target	8176	12,146
2024-25 Projected FTES enrollment (CA res)	5,314	9,399
% Decline since 2019-2020	35%	25%
2024-25 Operating Budget	\$147,411,623	\$231,004,272
2025-26 Projected Deficit	(\$23,871,864)	(\$23,790,625)
% Deficit to Operating Budget	16%	10%
Reserves (June 30, 2024)	\$32,639,520	\$64,226,498

Prior Budget Presentations and Transparency

- Budget is publicly available online
- Presidential Appointee to Senate Committee on Budget and Resource Allocation (COBRA)
- University Budget Advisory Committee presentations and reports
- Deep Dive Sessions since 2022-23
- President's webpage (Current Initiatives, Financial Sustainability, all budget-related memos)
- President's Budget Update message (fall 2024/spring 2025)
- WSCUC Self-study, Standard 3 (p. 46)
- Ad-hoc presentations as needed

Definitions

- Budget = projected plan of revenues and expenses for a period of time
- Actuals = actual revenue and expenses for a period of time

Cal State East Bay Revenue Components

STATE FUNDS

General Operating

State Support
Tuition Fees
Other Campus Fees
Cost Allocation Plan

Other Funds

Lottery
IRA
Trust Funds

Self Support

Housing
Parking
University Union/RAW
PaCE

AUX FUNDS

ASI
CSUEB Foundation
Ed Foundation

Base vs. One-Time

BASE

DEFINITION

Budget for permanent base personnel and other expenses that recur annually

SOURCE

Current Year Operating Fund Budget

EXAMPLES

Permanent Salary & Benefits, Utilities, Printing, Supplies, Software

ONE TIME

DEFINITION

Funding provided for specified one-time expenses beyond scope of base budget that are not recurring

SOURCE

Reserves/Roll Forward, Special Funding from the CO

EXAMPLES

Special Consultants, Capital Projects, Equipment Replacement

Recent questions about a student housing complex

- We have no need for and no funding to build a \$200 million student housing complex
- No detailed plan has been developed since original idea 10+ years ago
- No funding request or permission to take on debt has been presented to the Board
- Additional housing will not happen given current demand and current enrollment
- Project was added to list when special state funding was available; funding no longer available

Causes of our financial shortfalls

- Reduced tuition revenue due to enrollment declines (approximately 3,000 students fewer than high point)
- Increases in mandatory costs we must pay no matter what
- Reductions to our state allocation from the Chancellor's Office (FY2024-25)
- Possible reductions to our state allocation from the State of California

Mandatory Cost Increases

	PROJECTION		ACTUALS	
	FY 2024-25	FY 2023-24	FY 2022-23	FY 2021-22
Utilities	\$7,832,911	\$5,020,302	\$5,811,520	\$3,566,588
Benefits: Health	\$25,722,936	\$22,087,200	\$21,276,728	\$20,162,669
Salary Increases	\$9,593,000	\$7,921,000	\$7,390,000	\$3,845,000
<i>CO funded</i>	<i>\$2,726,000</i>	<i>\$3,842,000</i>	<i>\$5,993,000</i>	<i>\$3,845,000</i>
<i>Campus funded</i>	<i>\$6,452,698</i>	<i>\$4,079,000</i>	<i>\$1,397,000</i>	

How were expense reductions distributed? FY2022-23–FY2024-25

	Office of the President	Academic Affairs	Administration & Finance	Student Affairs	University Advancement	Central	Total
Reduction of Open Positions		\$1,012,176	\$1,007,890	\$1,006,710		\$1,513,388	\$4,540,164
Division Reductions by Marginal Cost	\$234,918	\$4,412,450	\$1,410,758	\$822,559	\$119,315		\$7,000,000
Division Reductions by VSIP Participants		\$1,263,649	\$99,944	\$166,044		\$1,632,744	\$3,162,381
Division Reduction of Eliminated Positions	\$167,496	\$211,788	\$643,692	\$145,100	\$132,300	\$701,161	\$2,001,537
Reduction Totals	\$402,414	\$6,900,063	\$3,162,284	\$2,140,413	\$251,615	\$3,847,293	\$16,704,082

Expense comparisons with other CSUs, FY 2023-24



Functional Category

- Academic Support
- Institutional Support
- Instruction
- Operation and Maintenance of Plant
- Public Service
- Research
- Student Grants and Scholarships
- Student Services
- Transfers and Other

How we have closed budget gaps?

The university has used various methods to close \$16 million in permanent base reductions over the past 3 years

2022-23

Elimination of open positions in Academic Affairs, Admin and Finance and Student Affairs

2023-24

Permanent reductions to all Divisions based on share of marginal cost and aligning course sections offered with enrollment

2024-25

Voluntary Separation Incentive Program (VSIP), elimination of 11 MPP positions from operating budget, elimination of a sports team, decommissioning of Robinson Hall, aligning course sections offered with enrollment

Budget Plan for 2024-25

SOURCES OF FUNDS	
General Fund Appropriation	\$134,704,000
Campus Tuition	\$66,079,340
Other Fees	\$20,190,321
Cost Recovery Revenues	\$10,030,611
Total Sources	\$231,004,272
PLANNED USES OF FUNDS	
Division Allocations	\$138,226,142
Central Mandatory Allocation	\$106,946,620
Total Uses	\$245,172,762
TOTAL SOURCES / USES BALANCE	(\$14,168,490)

Deficit reduction underway for 2024-25

Projected Starting Deficit	(14,168,490)
Permanent Reductions to date	4,430,836
Updated permanent deficit	(9,737,644)
Expected additional savings and use of reserves	(9,737,644)

Reserve Balances

as of June 30, 2024

SHORT TERM OBLIGATIONS	\$29,501,444
Outstanding Commitments	\$21,796,839
Encumbrances	\$2,658,415
Program Development	\$2,600,000
Financial Aid	\$1,446,190
Future Debt Service	\$1,000,000
OPERATIONS	\$17,314,065
Economic Uncertainty	\$14,785,789
Catastrophic Events	\$2,528,276
CAPITAL	\$17,410,989
Capital Improvement/Construction	\$15,000,000
Facilities Maintenance and Repairs	\$ 1,410,989
Equipment Acquisitions	\$1,000,000
TOTAL	\$64,226,498

****RESERVES ARE NOT ONGOING – THEY ARE ONE TIME FUNDING ONLY**

What to expect in FY2025-26 (as of March 2025)

- Additional increases in utilities
- Additional increases in health benefits
- Possible increases in salaries
- 3% reduction in state allocation from the Chancellor's Office
- 7.95% reduction in the overall state budget
- Estimating flat enrollment with additional 6% tuition increase

Budget Projections for 2025-26

2024-25 Base Deficit **(9,737,654)**

Projected Revenue Adjustments

Campus share of \$375 State Budget Reduction	(11,200,000)
3% Enrollment Reallocation (estimate)	(3,100,000)
Tuition Increase	4,100,337
Projected Cost Allocation Plan change	(224,308)
Restoration of One-Time Cut from 2024-25	1,971,000
Total Projected Revenue Adjustments	(8,452,971)

Projected Expense Adjustments

1% compensation for CSUEU Steps Implementation	(1,000,000)
Campus Projected Increased Mandatory Cost	(4,600,000)
Total Projected Expenses Adjustments	(5,600,000)

2024-25 Updated Base Permanent Deficit **(23,790,625)**

- This projection assumes enrollment will remain flat
- Please note these preliminary projections will change
- Preliminary Budget Memo from the CO and projected updates for mandatory cost are expected soon

Methods for closing gap in 2025-26

- Continued hiring chill and control of entertainment and travel
- Final termination of Oakland Center lease
- Continued alignment of course sections to enrollment and demand
- Administrative savings through reorganizations and possible shared services
- Additional base cuts allocated to divisions
- Use of non-operating funds within divisions

A reminder . . .

- We have consistently cut expenses
- We have been prudent in managing our reserve funds
- We go into a difficult year in a relatively strong position

Positive signs

- Applications are up for fall 2025 in all categories
- University Extension projected to reverse a 10-year pattern of deficit
- Fundraising has exceeded goals already for year
- Able to reallocate faculty lines for programs with high demand
- Campus climate assessment showed improvement in many areas

Questions?